

DECLASSIFIED

Date: 12/10/19 Initial: OB

DISCLOSURE SCHEDULES

ASSET PURCHASE AGREEMENT

dated as of August 11, 2000

by and among

CANFIELD TECHNOLOGIES, INC.,
a New Jersey corporation

ENVIRONMENTAL ALLOYS, INC.,
a Florida corporation

and

KAYDON CORPORATION,
a Delaware corporation

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the above-referenced agreement (the "Agreement"). References to Articles, Sections, Paragraphs, Exhibits and Schedules mean the Articles, Sections, Paragraphs, Exhibits and Schedules of the Agreement and/or these Schedules. These Schedules are incorporated by reference into and shall be deemed a part of the Agreement.

CANFIELD TECHNOLOGIES, INC.

By: Daniel V. Grossman
Daniel V. Grossman, Chairman

ENVIRONMENTAL ALLOYS, INC.

By: Daniel V. Grossman
Daniel V. Grossman, Chairman

Dated: August 11, 2000

550229



**CANFIELD
SCHEDULE 1.1
EXCLUDED ASSETS**

Dermatology treatment lamps being held for Cytopharm, Inc (to be removed by
Cytopharm within 180 days following the Closing)

Bob McIntire personal art and stained glass dragon

Dan Grossman law office black filing cabinets and personal files

11/1/97 Bob McIntire Stock Purchase Agreement

Canfield Technologies, Inc./Environmental Alloys, Inc
Schedule 2.7

(a) Real Estate

1 Crossman Road, Sayreville, New Jersey
(owned by Canfield Properties, L.L.C., a New Jersey limited liability company)

Pursuant to agreement dated June 18, 1999, Canfield Properties, L.L.C. has leased
a warehouse extension to Guest Distribution, Inc.

(b) Real Estate Liens

Mortgage(s), Assignment(s) of Rents and Leases, and UCC Financing Statement
in favor of PNC Bank, National Association on 1 Crossman Road property

Easements, rights-of-way, covenants and restrictions, all as set forth on Schedule
B of First American Title Insurance Company Owners Policy No. 7416, dated
November 26, 1996

(c) Personal Property Liens

PNC Bank, National Association, f/k/a Midlantic National Bank:
Security interest in inventory, accounts, equipment, instruments, goods and
merchandise, and proceeds and products of all of the foregoing, as evidenced by
numerous UCC-1 filings in the office of the New Jersey Secretary of State.

(d) Tangible Property Leases

Green Tree Vendor Services Corporation:
UCC-1 lease transaction filing for informational purposes only on a Toshiba 6560
Copier w/ 20-bin stapling sorter, equipment lease no. 40235229

Mellon First United Leasing:
UCC-1 lease transaction filing for informational purposes only on Nissan forklift
C50KLP, P.O. #3680970

Equipment leases for 3 forklift trucks (may include the Mellon First lease listed
above)

One (1) copy machine

Telephone system

Shipping/postage machine

**Canfield
Schedule 2.9
Environmental Matters**

Environmental Permits

a)	Permit	Gov't Agency	Entity Holding Permit	Effective Date	Duration and/or Comments
1.	Air Emissions	NJDEP	Canfield		5 years

- * In February 2000, a revision to an on-going air quality permit application for an Air Pollution Control System was submitted by W.B.R. Engineering, Inc. on behalf of Canfield Technologies. No permit has yet been issued on this application.

Facility ID 16727

2.	Fire Permit	NJ Division of Fire Safety	Canfield	1998	Current
3.	Storm Water	NJDEP	Canfield	1997	Each year a Form D form is submitted (no fee) stating storm- water runoff conditions have not changed.

4. Hazardous Waste Permit

USEPA

* Canfield has a USEPA Hazardous Waste Registration # NJR000020883, but it does not have or need a Hazardous Waste Permit

- b) Industrial Site Recovery Act (ISRA) Approval
- d) With respect to Sellers' sales of certain products in California, see Settlement Agreement with Michael DiPirro dated 8/14/97 and stipulated judgment dated 8/28/97. While not admitting any violation, Canfield Technologies settled this Proposition 65 citizen suit by paying a \$6,000 civil penalty (remainder of penalty was waived) and agreeing to adopt statutory safe-harbor labeling for certain products sold in California.
- g) Three (3) aboveground storage tanks in rear of building used by previous owner of property.

In addition, Canfield removed and sold 2 inside and 7 outside storage tanks shortly after purchase of property.
- i) Hazardous materials waste disposal, 4/19/00 manifest # LRIAL-74067, Safety - Kleen (Disposer)

MINUTES OF
ANNUAL MEETING OF SHAREHOLDERS OF
CANFIELD TECHNOLOGIES, INC.

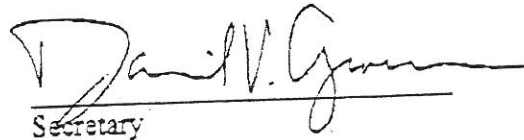
The Annual Meeting of Shareholders of CANFIELD TECHNOLOGIES, INC. was held at 10:00 a.m. on January 11, 2000 at the offices of the Corporation. Present were Robert McIntire and Daniel Grossman, owners of all outstanding shares.

Upon motion duly made, seconded and carried, the firm of Manger & Company, Certified Public Accountants, was appointed as the Corporation's auditors for the year ended October 31, 2000.

Upon nominations duly made and seconded, the following were elected Directors of the Corporation to serve for the ensuing year and until their successors are elected and qualified:

Daniel Grossman
Martha Grossman
Robert McIntire

There being no further business to come before the meeting, upon motion duly made, seconded and carried, it was adjourned.


Secretary

**ASSIGNMENT OF INTERESTS
UNDER ASSET PURCHASE AGREEMENT**

The undersigned ("Assignor"), being the Purchaser under that certain Asset Purchase Agreement, dated as of August 11, 2000, by and among Canfield Technologies, Inc., a New Jersey Corporation, Environmental Alloys, Inc., a Florida corporation, and Kaydon Corporation, a Delaware Corporation (the "Agreement"), hereby assigns, transfers and conveys all its interests in and under the Agreement, together with all of its rights, title, privileges, benefits and interests applicable to such interests assigned hereby, to Kaydon Acquisition XI, Inc., a Delaware corporation (the "Assignee"), which is a wholly-owned subsidiary of Purchaser.

WHEREFORE, the undersigned Assignor has executed this Assignment as of August 22, 2000.

KAYDON CORPORATION

By: Brian P. Campbell
Brian P. Campbell, President

ACCEPTANCE OF ASSIGNMENT

Assignee hereby accepts the above-described Assignment, and agrees to assume all the obligations of the Assignor relating to such interests and agree to indemnify, save and hold harmless Assignor from any and all liabilities and obligations of and under the Agreement from and after the date hereof.

WHEREFORE, the Assignee has executed this Acceptance of Assignment as of August 22, 2000.

KAYDON ACQUISITION XI, INC.

By: Brian P. Campbell
Brian P. Campbell, President

August 28, 2000

Kaydon Corporation
315 E. Eisenhower Parkway, Suite 300
Ann Arbor, MI 48108

Re: Assignment of Asset Purchase Agreement

Ladies and Gentlemen:

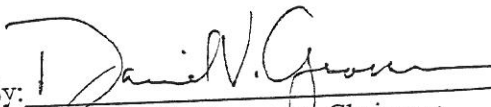
We acknowledge receipt of your Assignment of Interests Under Asset Purchase Agreement (the "Assignment"), whereby you have assigned your interests under the Asset Purchase Agreement dated August 11, 2000 (the "Purchase Agreement") to your wholly-owned subsidiary, Kaydon Acquisition XI, Inc. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Purchase Agreement.

Pursuant to the Assignment, we will execute the Assignment and Assumption Agreement, as prepared by your counsel, whereby the Acquired Assets will be conveyed to Kaydon Acquisition XI, Inc., which will assume, agree to pay, perform and discharge the Assumed Liabilities.

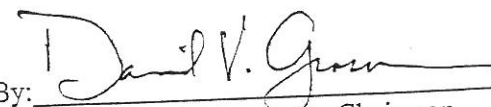
Notwithstanding the foregoing, and as provided by Section 8.6 of the Purchase Agreement, our recognition of the Assignment shall not relieve Kaydon Corporation of its obligations under the Purchase Agreement, including without limitation the assumption of Assumed Liabilities, and shall be without prejudice to our rights as Sellers under the Agreement.

Sincerely,

CANFIELD TECHNOLOGIES, INC.

By: 
Daniel V. Grossman, Chairman

ENVIRONMENTAL ALLOYS, INC.

By: 
Daniel V. Grossman, Chairman

ASSIGNMENT AND ASSUMPTION AGREEMENT

This ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Assignment and Assumption") is made as of August 28, 2000 by Canfield Technologies, Inc., a New Jersey corporation, and Environmental Alloys, Inc. (the "Sellers"), unto and in favor of Kaydon Acquisition XI, Inc., a Delaware corporation (the "Purchaser").

This Assignment and Assumption is made pursuant to the Asset Purchase Agreement (the "Purchase Agreement"), dated as of August 11, 2000, among the Sellers and Kaydon Corporation, a Delaware corporation ("Kaydon"), pursuant to which Kaydon agreed to acquire certain of the assets and business of the Sellers, and to assume, pay, perform, and discharge certain of the liabilities of the Sellers. Kaydon has assigned all of its rights under the Purchase Agreement to the Purchaser and the Purchaser has agreed to honor and perform all of Kaydon's obligations under the Purchase Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

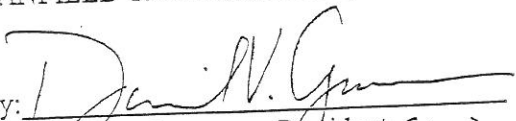
In consideration of the premises and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Sellers do hereby sell, convey, transfer, assign and deliver unto the Purchaser and its successors and assigns, all of the Sellers' right, title, and interest in and to the Acquired Assets more fully described on Exhibit 1 hereto, TO HAVE AND TO HOLD, unto the Purchaser, its successors and assigns, FOREVER. Sellers do hereby constitute and appoint the Purchaser and its successors and assigns as the attorney-in-fact of the Sellers, with full power of substitution, to institute and prosecute, in the name of either Seller or the Purchaser, but on behalf of and for the benefit of the Purchaser, and at the expense of the Purchaser, all proceedings that the Purchaser may deem desirable to collect, assert or enforce any claim, right or title of any kind in and to the Acquired Assets and to defend and compromise any and all actions, suits or proceedings in connection with the Acquired Assets. Sellers agree that from time to time hereafter they will, upon the reasonable request and at the expense of Purchaser, take all appropriate actions and execute and deliver all appropriate documents, instruments and conveyances of any kind that may be desirable to carry out the intent of this Assignment and Assumption.

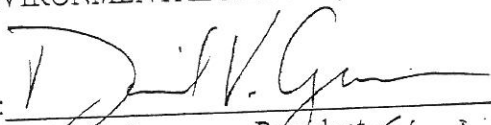
2. Upon and subject to the terms and conditions of the Purchase Agreement, Purchaser hereby assumes and agrees to pay, perform, and discharge only the Assumed Liabilities as more fully described on Exhibit 2 hereto.

IN WITNESS WHEREOF, the parties have executed this Assignment and Assumption.

CANFIELD TECHNOLOGIES, INC.

By: 
Daniel V. Grossman, President Chairman

ENVIRONMENTAL ALLOYS, INC.

By: 
Daniel V. Grossman, President Chairman

KAYDON ACQUISITION XI, INC.

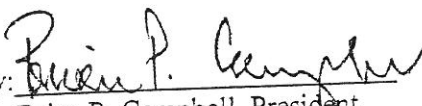
By: 
Brian P. Campbell, President

EXHIBIT 1 TO ASSIGNMENT AND ASSUMPTION AGREEMENT
(Canfield Technologies and Environmental Alloys)

The Acquired Assets include the following assets of the Sellers:

- (a) all cash, cash equivalents, investment securities, accounts receivable and miscellaneous receivables of the Purchased Business, including (but not limited to) billings not collected, goods shipped and not billed and miscellaneous receivables relating to goods shipped and not yet billed;
- (b) all of the Sellers' right, title and interest in the membership interests owned by each Seller in Canfield Properties, L.L.C., a New Jersey limited liability company ("Properties") that owns the Real Estate and all right, title and interest of Sellers under the Leases;
- (c) all plants, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Real Estate;
- (d) all fixed machinery and fixed equipment situate on or forming part of the Real Estate;
- (e) all other machinery and equipment and all vehicles, computers (hardware, software, documentation and manuals therefor), tools, spare parts, handling equipment, furniture, furnishings, supplies and accessories owned by the Sellers and used in connection with the Purchased Business;
- (f) the full benefit of all leases of machinery and equipment in which any Seller is lessee relating to the Purchased Business;
- (g) all inventories of raw materials, work-in-process and finished goods and spare parts;
- (h) all new and unused manufacturing, office, preventive maintenance, shipping and packaging supplies owned by the Sellers and relating to the Purchased Business;
- (i) the full benefit of all franchise, license, management and non-compete agreements, and all other contracts or commitments to which the Sellers are entitled in connection with the Purchased Business including, without limiting the generality of the foregoing, all unfilled orders received by the Sellers in connection with the Purchased Business; and all forward commitments to the Sellers for supplies or materials entered into in the usual and ordinary course of the Purchased Business for use in the Purchased Business whether or not there are any written contracts with respect thereto;
- (j) the full benefit of all licenses, registrations, permits and quotas used to carry on the Purchased Business in its usual and ordinary course including, without limiting the generality of the foregoing, the licenses, registrations, permits and quotas listed or described on any Schedule hereto;
- (k) all the right, title, benefit and interest of the Sellers in and to all intellectual, industrial and proprietary rights including without limitation (i) inventions, (ii) all granted patents and any

reissues thereof, (iii) copyrights, whether registered or unregistered, (iv) designs and industrial designs and all registrations and applications for registration therefor, (v) trademarks, service marks, trade names and any word, symbol, icon, logo or other indicia of origin adopted or used in connection with any product made or service provided in the Purchased Business including, without limitation, the names "Canfield Technologies" and "Environmental Alloys" and any derivation or variation thereof or name similar thereto, whether registered or unregistered, and rights to prevent unfair trading, (vi) trade secrets, confidential information and know-how, (vii) all applications and registrations for all of the foregoing, (viii) all licenses, including sublicenses to use intellectual, industrial or proprietary rights of third parties, and (x) all licenses, including sublicenses granted to third parties to use any of the foregoing, including, but not limited to, the Intellectual Property assets identified in Schedule 2.8 to the Purchase Agreement;

(l) the goodwill of the Purchased Business including, without limiting the generality of the foregoing, the exclusive right of Purchaser to represent itself as carrying on the Purchased Business in continuation of and in succession to the Sellers and the right to use any words indicating that the Purchased Business is so carried on; and all records of sales, customer lists and supplier lists of, or used in connection with, the Purchased Business;

(m) all prepaid expenses and deposits relating to the Purchased Business including, without limiting the generality of the foregoing, all prepaid taxes and water rates, all prepaid purchases of gas, oil and water, and all prepaid lease payments;

(n) all plans and specifications in the Sellers' possession or under its control relating to the plants, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of the Real Estate including, without limiting the generality of the foregoing, all such electrical, mechanical and structural drawings related thereto and all building location surveys for the Real Estate as are in the possession or under the control of the Sellers;

(o) all personnel records, inspection records, issued invoices, accounting and business records (except the Sellers' stock transfer books and records and minute books) and other records, books, documents and databases relating to the Purchased Business, the Acquired Assets and those employees who are, pursuant to the provisions of the Purchase Agreement, to be employed by Purchaser as are in the possession or under the control of the Sellers; and

(p) all warranties and guaranties running to the benefit of the Sellers.

EXHIBIT 2 TO ASSIGNMENT AND ASSUMPTION AGREEMENT
(Canfield Technologies and Environmental Alloys)

1. The Assumed Liabilities include only the following liabilities of the Sellers:

(a) those liabilities reflected on the Interim Financial Statements which remain unpaid on the Closing Date and which are not Excluded Liabilities (as defined in Section 1.4(b) of the Purchase Agreement);

(b) those liabilities which have arisen in the ordinary course of Sellers' business up to and including the date of the Interim Financial Statements, which were not of a type or nature required to be, or that could be, reflected on either such Statement under GAAP, including warranty claims relating to products manufactured by either Seller prior to Closing;

(c) those liabilities which have arisen in the ordinary course of Sellers' business subsequent to the date of the Interim Financial Statements, including warranty claims relating to products manufactured by either Seller prior to Closing;

(d) those liabilities and obligations arising under Sellers' contracts, agreements, other instruments, commitments, arrangements and understandings which are either (1) listed on Schedule 2.13 or other Schedules to the Purchase Agreement, or (2) exempt from listing on Schedule 2.13 by the terms of Section 2.13 of the Purchase Agreement;

(e) those liabilities and obligations otherwise disclosed in the Purchase Agreement (including any schedule, exhibit or document delivered pursuant to the Purchase Agreement) unless such disclosure identifies the liability or obligation as an Excluded Liability; and

(f) indebtedness owing to PNC Bank in the amount of \$904,800, incurred by the Sellers to pay dividends to their stockholders in respect of fiscal year 1999 earnings of the Sellers.

2. Notwithstanding anything in this Assignment and Assumption Agreement to the contrary, and without limiting the generality of the foregoing, Purchaser shall not assume, pay, perform or discharge any of the following Excluded Liabilities:

(a) any liability or obligation of the Sellers for fees, costs and expenses of the Sellers' attorneys, independent public accountants or other outside representatives incurred in connection with the negotiation, preparation or consummation of the Purchase Agreement or the transactions contemplated thereby;

(b) liabilities or obligations of the Sellers to the Shareholders as such or in connection with or arising out of the issuance or redemption of any shares;

(c) liabilities of the Sellers arising out of any claim, demand or proceeding based on any Environmental Matters, other than continuing obligations under ISRA Approval and under any

contract assumed by Purchaser under the Purchase Agreement (e.g. California labeling requirements under the DiPirro Agreement) which shall be Assumed Liabilities and not Excluded Liabilities;

(d) liabilities arising out of any pending litigation disclosed on Schedule 2.10 to the Purchase Agreement or arising out of or based on any contract or commitment entered into prior to the Closing Date and which is required to be, but is not disclosed in the Purchase Agreement or in any Schedule thereto or any document to be delivered thereunder; provided that Sellers shall be entitled to all benefits arising under or out of any such contract or commitment not assumed by Purchaser;

(e) liabilities or obligations of the Sellers for any income taxes imposed by federal, state, municipal or any other governmental authority payable by the Shareholders based on Seller's income accrued through the Closing Date;

(f) liabilities or obligations of the Sellers for Excluded Debt; provided that between June 1, 2000 and the Closing Date, Sellers shall not pay down the Excluded Debt by an amount that exceeds 50% of the Post-May 2000 Earnings (it being recognized that Sellers may inadvertently violate this proviso since at the Closing Date the exact amount of the Post-May 2000 Earnings will not yet be known). Upon determination of the Post-May 2000 Earnings, if it is determined that between June 1, 2000 and the Closing Date the Excluded Debt was paid down by an amount exceeding 50% of the Post-May 2000 Earnings, then an adjustment shall be payable from Sellers to Purchaser (in the form of an offset against the Post-May 2000 Earnings and Tax Differential payable by Purchaser to Seller) to reflect what the Excluded Debt would have been on the Closing Date had it been paid down after May 31, 2000 by an amount equal to 50% of the Post-May 2000 Earnings;

(g) any liabilities or obligations of the Sellers with respect to any transaction entered into after the Closing Date;

(h) liabilities or obligations of the Sellers for legal and accounting expenses, user fees and other administrative costs of terminating any Plans which are to be terminated by either Seller pursuant to the Purchase Agreement, but excluding Plan contributions accrued as liabilities accrued on Sellers' books as of the Closing and mandatory post-Closing administrative costs, which shall be Assumed Liabilities, and liabilities under any Plans of either Seller that are not terminated by such Seller;

(i) COBRA obligations arising under any health or medical benefit plan maintained by either Seller with respect to any employee terminated prior to Closing; or

(j) any liability for which the Sellers are indemnifying Purchaser under the Purchase Agreement.

ASSIGNMENT

WHEREAS, Canfield Technologies, Inc., a New Jersey Corporation (hereinafter referred to as "Assignor") and Kaydon Corporation, a Delaware Corporation (hereinafter referred to as "Kaydon") have entered into an Asset Purchase Agreement, dated as of August 11, 2000 (the "Asset Purchase Agreement"), and Kaydon has assigned all of its rights under the Asset Purchase Agreement to Kaydon Acquisition XI, Inc., a Delaware corporation ("Assignee"), and on this date Assignee has purchased the Acquired Assets from Assignor; and

WHEREAS, said Acquired Assets includes all of Assignor's right, title, benefit and interest in and to the Intellectual Property of Assignor including all trademarks, service marks, trade names of Assignor, whether registered or unregistered, all applications and registrations for the foregoing including those applications and registrations listed on the attached Schedule A, and all goodwill associated with the foregoing;

NOW, THEREFORE, be it known by all whom it may concern, that for and in that consideration recited in the Asset Purchase Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Assignee hereby agrees as follows:

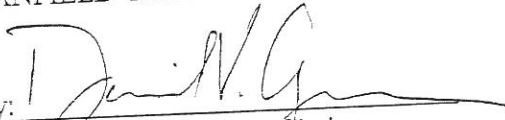
1. Terms not otherwise defined in this Assignment shall have the meaning set forth in the Asset Purchase Agreement.

2. Assignor has assigned, sold and set over, and by these presents assigns, sells and sets over unto the Assignee, its successors, legal representatives and assigns, the entire right, title, and interest to, any and all rights and privileges associated with, said trademarks, service marks, trade names, and applications and registrations for the foregoing provided under the laws of the United States, or the individual States thereof, and of jurisdictions foreign thereto, together with the goodwill of the business symbolized thereby and the right to bring suit and collect damages for past infringements thereof.

3. Assignor hereby covenants and agrees that the Assignor will at any time upon the request and at the expense of the Assignee execute and deliver any and all papers and do all lawful acts that may be necessary or desirable to perfect said right, title, and interest and said rights and privileges in Assignee, its successors, assigns and legal representatives.

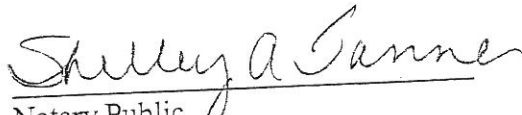
IN TESTIMONY WHEREOF, I hereunto set my hand and affix my seal in the City of Ann Arbor, State of Michigan, this 28th day of August, 2000.

CANFIELD TECHNOLOGIES, INC.

By: 
Daniel V. Grossman, Chairman

STATE OF MICHIGAN)
)
COUNTY OF WASHTENAW)

Before me personally appeared said Daniel V. Grossman, and acknowledged the foregoing instrument to be his own free act and deed this 28th day of August, 2000.


Notary Public

SHELLEY A. TANNER
Notary Public, Washtenaw County, MI
My Commission Expires Apr. 1, 2004

SEAL

Please address all correspondence and telephone calls and, upon recordation, please return this document to:

DYKEMA GOSSETT PLLC
39577 N. Woodward Avenue, Suite 300
Bloomfield Hills, Michigan 48304
(248) 203-0700

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SCHEDULE A
REGISTRATIONS

Country	Reg. No.	Reg. Date	Mark
United States	664,077		WATERSAFE
United States	782,449	12/29/1964	ZIP
United States	864,728	02/11/1969	COPPER SWEAT
United States	867,905	04/08/1969	BOW & Design
United States	902,606	11/17/1970	COPPER-MATE
United States	902,607	11/17/1970	TINSIL
United States	936,085	06/20/1972	NOCHAR
United States	940,964	08/15/1972	AE21
United States	941,471	08/22/1972	AE16
United States	947,920	11/28/1972	BOW
United States	953,640	02/20/1973	SOLDER-MATE
United States	971,336	10/23/1973	SOLDER PAINT
United States	972,731	11/13/1973	ACTION-TIN
United States	1,054,170	12/14/1976	Miscellaneous Design
United States	1,473,900	01/26/1988	WATERPURE
United States	1,603,404	06/26/1990	ENVIRO-SAFE
United States	1,613,409	09/11/1990	QUICKSET!
United States	1,620,807	11/06/1990	THE ULTIMATE SOLDER

ESCROW AGREEMENT

ESCROW AGREEMENT, dated as of August 28, 2000 (the "Escrow Agreement"), by and among KAYDON ACQUISITION XI, INC. ("Purchaser"), a Delaware corporation, BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, as escrow agent ("Escrow Agent"), CANFIELD TECHNOLOGIES, INC., a New Jersey corporation, and ENVIRONMENTAL ALLOYS, INC., a Florida corporation (collectively, the "Sellers").

A. WHEREAS, the Purchaser has contemporaneously consummated the acquisition of substantially all assets of Sellers pursuant to an Asset Purchase Agreement, dated as of August 11, 2000 (as heretofore amended, modified or supplemented from time to time in accordance with its terms, the "Asset Purchase Agreement"), among Sellers and the Purchaser which provides *inter alia* that U. S. \$1,500,000 shall be held in escrow subject to the terms and conditions of this Escrow Agreement, from which amount Sellers intend to provide indemnification to the Purchaser pursuant to the terms of the Asset Purchase Agreement;

B. WHEREAS, the amount deposited in escrow pursuant to the terms of the Asset Purchase Agreement is intended to be available to satisfy the claims for indemnification of the Purchaser under the Asset Purchase Agreement;

C. WHEREAS, capitalized terms used herein and not otherwise defined shall have the meaning given such terms in the Asset Purchase Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties hereby agree as follows:

1. Delivery and Receipt of Funds: Designation of Representatives.

(a) Pursuant to Section 1.6 of the Asset Purchase Agreement, Purchaser has delivered to the Escrow Agent to be held under the terms and conditions set forth herein, the sum of U.S. \$1,500,000 in immediately available funds (such funds as increased or decreased by any investments made hereunder or as decreased by any disbursements made in accordance herewith are referred to as the "Escrow Fund"). The Escrow Agent agrees to hold the Escrow Fund in accordance with the terms of this Escrow Agreement.

(b) The Purchaser and Sellers (or Sellers' assignee) shall each execute and deliver to the Escrow Agent a certificate of incumbency substantially in the form of Exhibit A hereto for the purpose of establishing the identity of the representatives of the Purchaser and Sellers (or Sellers' assignee) entitled to issue instructions or directions to the Escrow Agent on behalf of each such party. In the event of any change in the identity of such representatives, a new certificate of incumbency shall be executed and delivered to the Escrow Agent by the appropriate party. Until such time as the Escrow Agent shall receive a new incumbency certificate, the Escrow Agent shall be fully protected in relying without inquiry on any then current incumbency certificate on file with the Escrow Agent.

2. Investment: Earnings: Maintenance of Escrow Fund.

(a) Until disbursement of the entire Escrow Fund in accordance with the terms hereof, the Escrow Agent will invest the monies deposited in the Escrow Fund and any accumulated income earned thereon, as directed by the Sellers' Representative, in one or more of the following:

- (i) Direct obligations of and obligations fully guaranteed by the United States of America, or any agency thereof, the principal and interest of which are guaranteed by the United States of America or its agencies;
- (ii) Participation under a revolving repurchase agreement maintained by the Escrow Agent with other entities relative to an agreement for the sale and repurchase of obligations itemized in paragraph (i) above;
- (iii) Any time deposit which is fully insured by the Federal Deposit Insurance Corporation;
- (iv) Commercial paper notes which, at the time of investment, are rated in one of the two highest credit ratings by Moody's Investors Service, Inc. and/or Standard & Poor's Corporation;
- (v) Certificates of deposit of any bank organized under the laws of the United States;
- (vi) Any money market fund (including money market funds for which the Escrow Agent serves in an advisory capacity and/or other money market funds with which the Escrow Agent has an existing relationship), the assets of which are any of those obligations itemized in paragraphs (i) through (v) above; or
- (vii) Any one or more of the following mutual funds: Vanguard New Jersey Tax-Exempt Money Market Fund, Vanguard New Jersey Insured Long-Term Tax-Exempt Fund, Vanguard 500 Index Fund, Vanguard Prime Money Market or any other Vanguard Group Mutual Fund as Sellers' Representative shall designate with Purchasers' written consent, which consent shall not be unreasonably withheld.

The Escrow Agent shall make arrangements so that either (A) Sellers' Representative (as designated in Section 19 below) shall be permitted to deal directly with The Vanguard Group to transfer the Escrow Fund, or any portion of it, between or among the above designated Vanguard mutual funds, provided that in no event shall any portion of the Escrow Fund be released to Sellers or invested except as otherwise provided herein, or (B) if such arrangements cannot be made with The Vanguard Group, then the Escrow Agent shall designate a specific employee or employees to receive change of fund investment instructions from Sellers' Representative, which instructions shall be communicated to The Vanguard Group prior to 4:00 p.m., Eastern Time, provided they are

received by the Escrow Agent prior to 2:00 p.m.. Absent direction from the Sellers' Representative, the Escrow Agent shall invest the Escrow Funds in the Vanguard New Jersey Tax-Exempt Money Market Fund, and the Escrow Agent shall use its best efforts to open such Vanguard account in advance of the Closing Date, so that the Escrow Fund can be wired to such Vanguard fund at the time of the Closing under the Asset Purchase Agreement.

(b) Sellers shall be liable for and shall pay all taxes on the income earned on the Escrow Fund and shall indemnify and hold Purchaser and the Escrow Agent harmless therefrom. For fiduciary accounting purposes under this Escrow Agreement, realized capital gains and losses shall be allocated to income and the term "accumulated income" shall include such realized gains and losses. Accumulated income on the Escrow Fund shall be distributed on a calendar quarter basis to the Sellers, provided that the market value of the Escrow Fund (before deduction for any pending and unpaid Claimed Amounts) shall not be reduced below the Minimum Escrow Fund Amount specified in paragraph (c) below. Any loss incurred as a result of an investment shall be borne by the Escrow Account.

(c) If at the end of each calendar month the market value of the Escrow Fund shall have diminished below the applicable Minimum Escrow Fund Amount, then an amount of accumulated income on the Escrow Fund sufficient to restore the market value of the Escrow Fund to the applicable Minimum Escrow Fund Amount shall be transferred by the Escrow Agent to become principal of the Escrow Fund and shall thereafter no longer be available for distribution to the Sellers until the next quarterly distribution of the accumulated income or the termination and release of the Escrow Fund. The applicable "Minimum Escrow Fund Amount" shall be as follows: for the period from August 28, 2000, through and including August 27, 2001, \$1,500,000; for the period from August 28, 2001, through and including August 27, 2002, \$1,000,000; for the period from August 28, 2002, through and including August 27, 2003, \$500,000;

(d) The Escrow Agent is hereby authorized to execute purchases and sales of permitted investments through the facilities of its own trading or capital markets operations or those of any affiliated entity. The Escrow Agent shall send statements to each of the parties hereto on a monthly basis reflecting activity in the Escrow Account for the preceding month. Although the Purchaser and Sellers each recognize that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Purchaser and the Sellers hereby agree that confirmations of permitted investments are not required to be issued by the Escrow Agent for each month in which a monthly statement is rendered.

3. General Indemnity Obligation. The Escrow Fund shall be held by the Escrow Agent as security for the indemnification obligation of Sellers under the Asset Purchase Agreement. Purchaser may make a claim against the Escrow Fund for any amounts for which Sellers may be so liable to Purchaser under the Asset Purchase Agreement.

4. Claims. At any time that the Purchaser makes a claim against Sellers under Article VII of the Asset Purchase Agreement (a "Claim"), Purchaser shall notify (a "Claim Notice") the Escrow Agent and Sellers' Representative in writing of any such Claim (identifying such Claim with reasonable specificity), and stating the basis for the Claim and the amount or estimated amount

thereof (the "Claimed Amount"). On the 45th day after the Escrow Agent has received a Claim Notice, unless it receives a Dispute Notice from Sellers' Representative pursuant to Section 5 hereof (in which case such Claim shall be resolved as provided in Section 5 hereof), the Escrow Agent shall deliver to Purchaser out of the Escrow Fund cash equal in amount to the Claimed Amount.

5. Dispute of Claim. Sellers shall have the right to dispute any Claimed Amount by giving concurrently to the Escrow Agent and to Purchaser, prior to the forty-fifth (45th) day after delivery to Sellers' Representative of any Claim Notice from Purchaser, written notice (a "Dispute Notice") that they dispute the matters set forth in such Claim Notice either with respect to the validity or the amount of the Claim in question or on the basis that the deficiency, liability or obligation in question is not properly chargeable as a claim under the Asset Purchase Agreement. Such Dispute Notice shall include the basis and amount, with reasonable specificity, of the dispute. If such Dispute Notice covers less than the full Claimed Amount, Sellers' Representative shall state in the Dispute Notice the amount of the Claimed Amount as to which Sellers agree that Purchaser should be paid out of the Escrow Fund, and such portion of the Claimed Amount shall be promptly paid by the Escrow Agent to the Purchaser. The Escrow Agent shall have no obligation to determine the sufficiency of any such Dispute Notice or Claim Notice. Upon receipt of any such Dispute Notice from the Sellers' Representative, the Escrow Agent shall take no action with respect to the amounts in dispute except: (a) upon the joint written instructions of both Purchaser and Sellers' Representative; or (b) ten (10) days after receipt by Escrow Agent of written notice (the "Order Notice") from either Purchaser or Sellers' Representative that the dispute has been resolved by a final order, decree or judgment (from which no further appeal may be taken) of a court of competent jurisdiction, which Order Notice shall be accompanied by a copy of any such order, decree or judgment certified by the Clerk (or equivalent officer) of such court and by an opinion of counsel stating that the time for appeal therefrom has expired and no appeal has been perfected. A copy of such Order Notice shall concurrently be given by the party giving the Order Notice to the other parties hereunder. Upon receipt of joint instructions described in clause (a) above, Escrow Agent shall make payment out of the Escrow Fund in accordance therewith, and ten (10) days after receipt by Escrow Agent of an Order Notice described in clause (b) above, Escrow Agent shall make payment out of the Escrow Fund in accordance with the order, decree or judgment referenced therein and attached thereto.

6. Partial Distribution, Termination and Release of Escrow Fund.

(a) On August 28, 2001, the Escrow Agent shall determine the aggregate of all pending and unpaid Claimed Amounts as of that date and, shall pay to Sellers out of the Escrow Fund \$500,000 less 50% of the aggregate of such pending and unpaid Claimed Amounts; provided, however, that if 50% of the aggregate of such pending and unpaid Claimed Amounts are greater than \$500,000, then all the assets in the Escrow Fund shall be retained in the Escrow Fund and the Escrow Agent shall not make any payments to Sellers out of the Escrow Fund until otherwise permitted under this Escrow Agreement. In the event after August 27, 2001 but before August 28, 2002, any claim is resolved, by Order Notice or by joint written instructions of the Purchaser and Sellers' Representative, in an amount less than the full Claimed Amount, then the Escrow Agent shall within ten (10) days pay to Sellers out of the principal of the Escrow Fund such amount as will bring the prior payment under this paragraph (a) up to \$500,000 less 50% of the aggregate of the

remaining pending and unpaid Claimed Amounts; provided, however, that if 50% of the aggregate of the remaining pending and unpaid Claimed Amounts are equal to or greater than \$500,000, then no distribution shall be made under this sentence.

(b) On August 28, 2002, the Escrow Agent shall determine the aggregate of all pending and unpaid Claimed Amounts as of such date and as soon as practicable after making such determinations shall pay to Sellers such amount as will leave in the Escrow Fund the sum of \$500,000 plus 50% of the aggregate of such pending and unpaid Claimed Amounts. In the event after August 27, 2002, but before August 28, 2003, any Claim is resolved, by Order Notice or by joint written instructions of the Purchaser and Sellers' Representative, in an amount less than the full Claimed Amount, then the Escrow Agent shall within ten (10) days pay to Sellers such amount as will leave in the Escrow Fund the sum of (i) \$500,000 plus (ii) 50% of the aggregate of the remaining pending and unpaid Claimed Amounts.

(c) On August 28, 2003, the Escrow Agent shall determine the aggregate of all pending and unpaid Claimed Amounts as of such date and as soon as practicable after making such determination shall pay to Sellers the remaining balance of the Escrow Fund, including accumulated income, less such aggregate of pending and unpaid Claimed Amounts. Any amount or amounts retained after August 28, 2003, pursuant to this Escrow Agreement on account of the pending and unpaid Claimed Amounts shall continue to be held in accordance with this Escrow Agreement until a final disposition thereof is made in accordance with this Escrow Agreement.

(d) Upon receipt of a letter, in a form substantially similar to that attached hereto as Exhibit B, signed by the Purchaser and Sellers' Representative, the Escrow Agent agrees to sell the Permitted Investments and to pay the full balance and proceeds of the Escrow Account as the Purchaser and Sellers' Representative shall direct.

7. Liquidation of Investments. The Escrow Agent shall liquidate any investments in the Escrow Fund necessary to provide funds in order to make any payments required by this Escrow Agreement in accordance with written instructions given to it by Sellers' Representative with regard to the priority of investments to be so liquidated. If Sellers' Representative fails to give the Escrow Agent such written instructions, the Escrow Agent shall use its discretion in liquidating sufficient investments to pay any amounts due hereunder in a timely manner.

8. Concerning the Escrow Agent. Notwithstanding any provision contained herein to the contrary, the Escrow Agent, including its officers, directors, employees and agents, shall:

(a) not be held liable for any action taken or omitted under this Escrow Agreement so long as it shall have acted in good faith and without gross negligence;

(b) have no responsibility to inquire into or determine the genuineness, authenticity, or sufficiency of any securities, check, or other documents or instruments submitted to it in connection with its duties hereunder;

(c) be entitled to deem the signatories of any documents or instruments submitted to it hereunder as being those purported to be authorized to sign such documents or instruments on behalf of the parties hereto and shall be entitled to rely upon the genuineness of the signatures of such signatories without inquiry and without requiring substantiating evidence of any kind;

(d) be entitled to refrain from taking any action contemplated by this Escrow Agreement in the event that it becomes aware of any disagreement between the parties hereto as to any facts or as to the happening of any contemplated event precedent to such action;

(e) have no responsibility or liability for any diminution in value of any assets held hereunder which may result from any investment or reinvestment made in accordance with any provision which may be contained herein;

(f) be entitled to compensation for its services hereunder as per Exhibit C attached hereto and for reimbursement of its out-of-pocket expenses including, but not by way of limitation, the reasonable fees and costs of attorneys or agents which it may find necessary to engage in performance of its duties hereunder, to be paid in full by Purchaser, except that any sales loads, fees or transaction charges assessed by The Vanguard Group ("Vanguard Charges") shall be paid out of the Escrow Fund;

(g) be entitled to set off and apply the Escrow Fund against any fees and expenses to which the Escrow Agent is entitled hereunder and which are due and owing, but only after the Escrow Agent has given notice requesting payment thereof to Sellers' Representative and Purchaser and such fees and expenses remain unpaid for 60 days following the date of receipt by Sellers' Representative and Purchaser of such notice. The Escrow Agent shall promptly notify Sellers' Representative and Purchaser after any such setoff and application made by the Escrow Agent, and Purchaser shall promptly reimburse the Escrow Fund for the amount of such setoff, except that Sellers shall promptly reimburse the Escrow Fund for the amount of such setoff where such setoff is incurred due to Vanguard Charges;

(h) be under no obligation to invest the deposited funds or the income generated thereby until it has received a U.S. Internal Revenue Service Form W-9 (or W-8, if applicable) from Sellers;

(i) be, and hereby is, jointly and severally indemnified and saved harmless by the other parties hereto from all loss, costs, and expenses, including attorney's fees, which may be incurred by it as a result of its involvement in any litigation arising from the performance of its duties hereunder, provided that such litigation shall not have resulted from any action taken or omitted by it and for which it shall have been adjudged to have acted in bad faith or to have been grossly negligent; such indemnification shall survive termination of this Escrow Agreement and the resignation or removal of the Escrow Agent pursuant to Section 10 hereof until extinguished by any applicable statute of limitation. As between Sellers and Purchaser, each shall be responsible for one-half of such indemnification obligations;

(j) in the event any dispute shall arise between the parties with respect to the disposition or disbursement of any of the assets held hereunder, be permitted to interplead all of the assets held

hereunder into a court of competent jurisdiction, and thereafter be fully relieved from any and all liability or obligation with respect to such interpleaded assets. The other parties further agree to pursue any redress or recourse in connection with such a dispute, without making the Escrow Agent a party to same unless required by applicable law;

(k) only have those duties as are specifically provided herein, which shall be deemed purely ministerial in nature;

(l) neither be responsible for, nor chargeable with knowledge of, the terms and conditions of any other agreement, instrument, or document between the other parties hereto, in connection herewith, including, without limitation, the Asset Purchase Agreement and shall be required to act only pursuant to the terms and provisions of this Escrow Agreement. This Escrow Agreement sets forth all matters pertinent to the escrow contemplated hereunder and no additional obligations of the Escrow Agent shall be implied from the terms of this Escrow Agreement or any other agreement;

(m) use Canfield Technologies, Inc.'s federal employer identification number (22-1600225) as the taxpayer identification number for all investments of the Escrow Fund and, to the extent applicable, for Form 1099 or Schedule K-1 reporting purposes, until such times as the Sellers' Representative shall notify the Escrow Agent of a different taxpayer identification number;

(n) have the right, but not the obligation, to consult with counsel of choice and shall not be liable for action taken or omitted to be taken by Escrow Agent either in accordance with the advice of such counsel or in accordance with any opinion of counsel to the Purchaser and Sellers addressed and delivered to the Escrow Agent;

(o) have the right to perform any of its duties hereunder through agents, attorneys, custodians or nominees. Any banking association or corporation into which the Escrow Agent may be merged, converted or with which the Escrow Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Escrow Agent shall be transferred, shall succeed to all the Escrow Agent's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding; and

The immunities and protection and right to indemnification listed in this Section 8, together with the Escrow Agent's right to compensation, shall survive the termination of this Agreement and the Escrow Agent's resignation or removal.

9. Notices. Any request, direction, notice, or other communication required or permitted to be made or given by any party hereto shall be in writing and shall be delivered by hand or by overnight commercial courier service, (or by facsimile transmission confirmed by one of such methods), to the addresses and facsimile numbers noted below (or to such other addresses and facsimile numbers as a party may designate as to itself by notice to the other parties in accordance with this Section 9).

- (a) in the case of Sellers:
Daniel V. Grossman, Sellers' Representative
112 Western Drive
Short Hills, New Jersey 07078
Facsimile: (973) 467-5416

with a courtesy copy to:
J. Lamont Harris
Henthorn, Harris, Taylor & Weliever
122 E. Main Street
P.O. Box 645
Crawfordsville, Indiana 47933
Facsimile: (765) 362-4521

- (b) In the case of Purchaser:
Kaydon Acquisition XI, Inc.
315 East Eisenhower Parkway, Suite 300
Ann Arbor, Michigan 48108
Attention: Brian P. Campbell, President
Telephone: (734) 747-7025
Facsimile: (734) 747-6928

with courtesy copy to:
Paul R. Rentenbach
Dykema Gossett PLLC
400 Renaissance Center
Detroit, Michigan 48243-1668
Telephone: (313) 568-6973
Facsimile: (313) 568-6915

- (c) In the case of the Escrow Agent:
Bank One, Trust Company, National Association
611 Woodward Avenue
Detroit, Michigan 48226
Attention: Kelly A. Low
Telephone: (313) 225-2231
Facsimile: (313) 225-3420

10. Resignation or Removal of Escrow Agent. The Escrow Agent may resign as such following the giving of thirty (30) days' prior written notice to the other parties hereto. Similarly, the Escrow Agent may be removed and replaced following the giving of thirty (30) days' prior joint written notice to the Escrow Agent by the Purchaser and the Seller's Representative. In either event, the duties of the Escrow Agent shall terminate (30) thirty days after receipt of such notice (or as such earlier date as may be mutually agreed by the Purchaser and the Sellers' Representative); and the Escrow Agent, after it has been paid all the fees, costs and expenses to which it is entitled hereunder

(including the costs of transferring the monies or assets in its possession), shall then deliver the balance of the monies or assets then in its possession to a successor Escrow Agent as shall be jointly appointed, as evidenced by a written notice filed with the Escrow Agent, or to a successor Escrow Agent appointed pursuant to the next paragraph.

If the Purchaser and the Sellers' Representative are unable to agree upon a successor Escrow Agent or shall have failed to appoint a successor Escrow Agent prior to the expiration of thirty (30) days following receipt of the notice of resignation or removal, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent or for other appropriate relief; and, any such resulting appointment shall be binding upon all the parties hereto.

Upon acknowledgment by any successor Escrow Agent of the receipt of the balance of the monies or assets, in escrow, the Escrow Agent shall be fully released and relieved of all duties, responsibilities and obligations under this Escrow Agreement.

11. Entire Agreement: Modification. This Escrow Agreement constitutes the entire understanding among the parties with respect to the subject matter hereof and shall supersede any prior or contemporaneous agreement or understanding, oral or written, with respect to the subject matter hereof. No modification or amendment of this Escrow Agreement shall be valid unless the same is in writing and is signed by Sellers and the Purchaser and consented to by the Escrow Agent.

12. Joint Direction. Notwithstanding anything contained herein to the contrary, Purchaser and Sellers' Representative may jointly direct the Escrow Agent, in writing, to perform any action contemplated herein, and upon receipt of such joint direction, the Escrow Agent shall act in compliance therewith and have no liability to Purchaser, Sellers or any third party beneficiary for such act.

13. Applicable Law. This Escrow Agreement shall be construed in accordance with and governed by the laws of the State of Michigan without giving effect to any applicable principles of conflicts of laws.

14. Counterparts. This Escrow Agreement may be executed with counterpart signature of pages or in one or more counterparts, each of which shall be deemed an original, but all which together shall constitute one and the same instrument.

15. Invalid Clause. If any term, covenant, condition or provision of this Escrow Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

16. Binding Effect. This Escrow Agreement shall be binding upon and inure to the benefit of, the heirs, administrators, executors, successors and assigns of the parties hereto.

17. Recitals. The recitals to this Escrow Agreement are incorporated herein as part of this Escrow Agreement.

18. Assignment by Sellers. Sellers shall have the right, upon written notice to Purchaser and the Escrow Agent, to assign all of Sellers' rights, interests and obligations under this Agreement, including all rights in and to the Escrow Fund, (i) to a successor limited liability partnership, limited liability company or other entity designated by Sellers, or (ii) to the Sellers' shareholders in their ownership proportions of 90% to Daniel V. Grossman and 10% to Robert P. McIntire.

19. Appointment of Sellers' Representative.

(a) The Sellers hereby irrevocably appoint the person designated from time to time pursuant to Section 19(f) as their true and lawful attorney-in-fact, to act as their representative ("Sellers' Representative") under this Escrow Agreement and, as such, to act, as Sellers' agent (with full power of substitution), to take such action on such Sellers' behalf with respect to all matters relating to this Escrow Agreement, the Asset Purchase Agreement and all transactions herein and therein. Daniel V. Grossman hereby accepts his appointment as the initial Sellers' Representative and the authorization set forth above. The Sellers' Representative shall not have any duties or responsibilities except those expressly set forth in this Escrow Agreement, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Escrow Agreement or shall otherwise exist against the Sellers' Representative. With respect to all other actions, the Sellers' Representative shall only take or authorize such actions approved orally or in writing by the Sellers or their assignee.

(b) The Sellers' Representative shall be entitled to rely, and shall be fully protected in relying, upon any statements furnished to him by any Seller, Sellers' assignee or the Purchaser, or any other evidence deemed by the Sellers' Representative to be reliable, and the Sellers' Representative shall be entitled to act on the advice of counsel selected by him. The Sellers' Representative shall be fully justified in failing or refusing to take any action under this Escrow Agreement unless he has received such advice or concurrence of the Sellers, or their assignee, as he deems appropriate or he has been expressly indemnified to his satisfaction by the Sellers, or their assignee, against any and all liability and expense that the Sellers' Representative may incur by reason of taking or continuing to take any such action.

(c) The Sellers' Representative shall be entitled to retain counsel and to incur such expenses as the Sellers' Representative deems to be necessary or appropriate in connection with his performance of his obligations under this Escrow Agreement, and all such fees and expenses (including reasonable attorneys' fees and expenses) incurred by the Sellers' Representative shall be borne by the Sellers or their assignee.

(d) The Sellers hereby agree to indemnify the Sellers' Representative (in his capacity as such) ratably according to their interests in the Escrow Fund against, and to hold the Sellers' Representative (in his capacity as such) harmless from, any and all losses of whatever kind which may at any time be imposed upon, incurred by or asserted against the Sellers' Representative in such capacity in any way relating to or arising out of his action or failures to take action pursuant to this Escrow Agreement or in connection herewith in such capacity, provided that no Seller or Sellers' assignee shall be liable for the payment of any portion of such losses resulting solely from the gross

negligence or willful misconduct of the Sellers' Representative. The agreements in this Section 19(d) shall survive termination of this Escrow Agreement.

(e) To the extent this Escrow Agreement provides that the Sellers shall be jointly and severally liable to personally pay any cost, expense or other liability, the Sellers, or their respective assignee(s), shall share such payment ratably in accordance with their respective interests in the Escrow Fund, and shall reimburse each other as necessary to give effect to the intent of this provision.

(f) Daniel V. Grossman shall be the initial Sellers' Representative and shall serve as the Sellers' Representative until the earlier of his resignation or removal (with or without cause) by action of the Sellers' or their assignee. Upon the resignation or removal of the Sellers' Representative, the Sellers or their assignee shall select a new Sellers' Representative who may resign, be removed or replaced in the same manner as the initial Sellers' Representative. Each time a new Sellers' Representative is appointed pursuant to this Escrow Agreement, such Person shall accept such position in writing.

(g) The Sellers or their assignee shall notify the Purchaser and Escrow Agent of each change of Sellers' Representative. Until the Purchaser and Escrow Agent receive the foregoing notice, they shall be entitled to assume that a prior person acting as the Sellers' Representative is still the duly authorized Sellers' Representative.

20. Attachment of Escrow Fund: Compliance with Legal Orders. In the event that any escrow property shall be attached, garnished or levied upon by any court order, or the delivery thereof shall be stayed or enjoined by an order of a court, or any order, judgment or decree shall be made or entered by any court order affecting the property deposited under this Agreement, the Escrow Agent is hereby expressly authorized, in its sole discretion, to obey and comply with all writs, orders or decrees so entered or issued, which it is advised by legal counsel of its own choosing is binding upon it, whether with or without jurisdiction, and in the event that the Escrow Agent obeys or complies with any such writ, order or decree it shall not be liable to any of the parties hereto or to any other person, firm or corporation, by reason of such compliance notwithstanding such writ, order or decree be subsequently reversed, modified, annulled, set aside or vacated.

21. Tax Matters.

(a) Reporting of Income. The Escrow Agent shall report to the Internal Revenue Service, as of each calendar year-end, and to the Purchaser and Canfield Technologies, as applicable, all income earned from the investment of any sum held in the Escrow Account as and to the extent required under the provisions of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (the "Code").

(b) Preparation and Filing of Tax Returns. Canfield Technologies or its successor shall be required to prepare and file any and all income or other tax returns applicable to the Escrow Account with the Internal Revenue Service and all required state or local departments of revenue

in all years in which income is earned, as and to the extent required under the provisions of the Code.

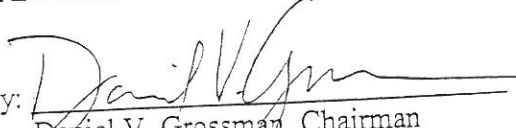
(c) Payment of Taxes. Any taxes payable on income earned from the investment of any sums held in the Escrow Account shall be paid by Canfield Technologies whether or not the income was distributed by the Escrow Agent during any particular year as and to the extent required under the provisions of the Code.

(d) Unrelated Transactions. The Escrow Agent shall have no responsibility for the preparation and/or filing of any tax or information return with respect to any transaction, whether or not related to the Agreement, that occurs outside the Escrow Account.

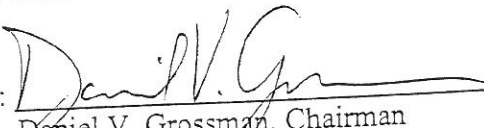
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day and year first above written.

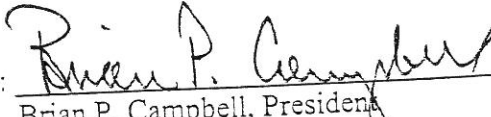
CANFIELD TECHNOLOGIES, INC.

By: 
Daniel V. Grossman, Chairman

ENVIRONMENTAL ALLOYS, INC.

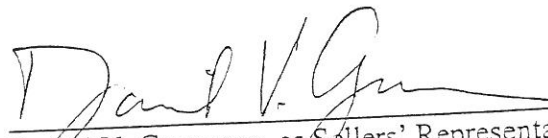
By: 
Daniel V. Grossman, Chairman

KAYDON ACQUISITION XI, INC.

By: 
Brian P. Campbell, President

BANK ONE, TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Agent

By: _____
Name: _____
Title: _____


Daniel V. Grossman, as Sellers' Representative

IN WITNESS WHEREOF, the parties hereto have executed this Escrow Agreement as of the day and year first above written.

CANFIELD TECHNOLOGIES, INC.

By: _____
Daniel V. Grossman, Chairman

ENVIRONMENTAL ALLOYS, INC.

By: _____
Daniel V. Grossman, Chairman

KAYDON ACQUISITION XI, INC.

By: _____
Brian P. Campbell, President

BANK ONE, TRUST COMPANY, NATIONAL
ASSOCIATION, as Escrow Agent

By: Kelly A. Low
Name: Kelly A. Low
Title: Authorized Officer

Daniel V. Grossman, as Sellers' Representative

EXHIBIT A

CERTIFICATE OF INCUMBENCY

The undersigned, _____, of _____, hereby certifies that the following named officers are duly appointed, qualified and acting in the capacity set forth opposite his/her name, and the following signature is the true and genuine signature of said officer.

Name	Title	Signature
_____	_____	_____
_____	_____	_____

Such officers are hereby authorized to furnish the Escrow Agent with directions relating to any matter concerning this Escrow Agreement and the funds and/or property held pursuant thereto.

IN WITNESS WHEREOF, _____ has caused this Certificate of Incumbency to be executed by its officer duly authorized this _____ day _____, 2000.

[CANFIELD TECHNOLOGIES, INC.]
[ENVIRONMENTAL ALLOYS, INC.]
[KAYDON CORPORATION]

By: _____
Name: _____
Title: _____

EXHIBIT B

_____, 2000

Bank One Trust Company, National Association
611 Woodward Avenue, Suite M11-8110
Detroit, Michigan 48226

Attention: Corporate Trust Services Division/Kelly Low

Re: Escrow Account No. _____ among Kaydon Corporation (the "Purchaser"),
a Delaware corporation, Bank One Trust Company, National Association, as Escrow
Agent (the "Escrow Agent"), Canfield Technologies, Inc., a New Jersey corporation,
and Environmental Alloys, Inc., a Florida corporation (collectively, the "Sellers").

Please sell all investments held in the Escrow Account and distribute the full balance and proceeds
thereof by (wire transfer) (cashier's check) to _____ (If wire transfer - name of bank,
bank's ABA number and customer's account number for credit or as _____ shall
otherwise direct.

Very truly yours,

By: _____

Name: _____

Title: _____

EXHIBIT C

SCHEDULE OF FEES

ACCEPTANCE FEE: \$1,000.00

For time devoted to review of drafts of escrow agreement, negotiations and consultations with principals and attorneys, attendance at closing, establishing procedures and records, opening of the account and report set-up. This fee is due and payable at closing.

ANNUAL Administration: \$2,500.00 per year, or portion thereof, payable in advance.

Covers: account administration, review of any required compliance certificates, maintenance of records, contacts and correspondence, responding to auditors, etc. This fee is billed annually in advance and is due and payable at closing.

Activity Charges:

- A. Additional Cash Deposits: \$10.00 each
- B. Cash Disbursements: \$20.00 each by check/ \$25.00 each by wire
- C. Investment Transactions: \$70.00 per acquisition or disposal, plus any special fees charged by the Vanguard Group (no transaction charges for One Group Fund transactions)
- D. Deposit or Withdrawal of Securities or Documents: \$70.00 per deposit or withdrawal of each distinctive document or security on each occasion.

Extraordinary Services:

At rates in effect from time to time, as shall be determined on the basis of time, effort and responsibility for services provided beyond the scope of those listed.

Out-of-pocket expenses:

Escrow Agent shall be entitled to reimbursement for its out-of-pocket expenses incurred, including, but not limited to: registered or certified postage, courier costs, travel and lodging, and amounts paid to attorneys and agents, when required

Miscellaneous:

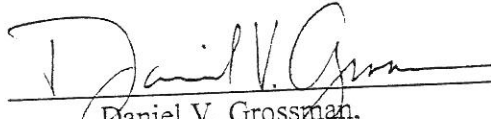
All fees are subject to reasonable adjustment as changes in laws, procedures, and costs of doing business demand. Escrow Agent's fees are subject to modification should subsequent review disclose unanticipated duties, conflicts of interest, environmental or credit standard deficiencies. If the transaction fails to close for reasons beyond Bank One Trust Company, N.A.'s control, we reserve the right to charge a fee not to exceed the amount of the Acceptance Fee.

DET01\217641.9
ID\PRR

ASSIGNMENT OF SELLERS' INTEREST IN ESCROW

For a valuable consideration, DANIEL V. GROSSMAN, acting as Sellers' Representative under that certain Escrow Agreement dated as of August 28, 2000, wherein CANFIELD TECHNOLOGIES, INC., a New Jersey corporation, and ENVIRONMENTAL ALLOYS, INC., a Florida corporation, are Sellers, KAYDON CORPORATION, a Delaware corporation, is Purchaser, and BANK ONE TRUST COMPANY, NATIONAL ASSOCIATION, is Escrow Agent, does hereby assign, convey and set over to Gromac, LLC, an Indiana limited liability company, all of the Sellers' rights, interests and obligations under such Escrow Agreement, together with the Sellers' rights in and to the Escrow Fund created thereunder.

Dated: August 28, 2000


Daniel V. Grossman,
Sellers' Representative

The Purchaser hereby acknowledges receipt of an executed copy of the above and foregoing Assignment of Sellers' Interest in Escrow.

Dated: August 28, 2000

KAYDON ACQUISITION XI, INC.

By: 

The Escrow Agent hereby acknowledges receipt of an executed copy of the above and foregoing Assignment of Sellers' Interest in Escrow.

Dated: August 28, 2000

BANK ONE TRUST COMPANY,
NATIONAL ASSOCIATION

By: _____

NON-COMPETITION AGREEMENT

This NON-COMPETITION AGREEMENT (the "Agreement") is made as of August 28, 2000, by and among DANIEL V. GROSSMAN ("Grossman"), KAYDON CORPORATION, a Delaware corporation ("Kaydon"), KAYDON ACQUISITION XI, INC., a Delaware corporation ("Acquisition XI"), KAYDON ACQUISITION XII, INC., a Delaware corporation ("Acquisition XII"), KAYDON ACQUISITION XIII, INC., a Delaware corporation ("Acquisition XIII") and INDIANA PRECISION, INC., an Indiana corporation ("Indiana Precision").

Acquisition XI and Acquisition XII are wholly-owned subsidiaries of Kaydon and have on this date completed the acquisition of two separate businesses that were operated by corporations (the "Sellers") that were owned principally by Grossman. In addition, Acquisition XIII has on this date acquired all of the voting stock of Indiana Precision, a majority of which stock was previously owned by Grossman. As a condition to the completion of such acquisitions, Grossman and Kaydon have agreed to enter into this Agreement. Acquisition XI, Acquisition XII, Acquisition XIII and Indiana Precision are hereafter referred to as the "Kaydon Subsidiaries". In consideration of the compensation payable hereunder and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

1. Confidentiality and Non-Competition. Grossman acknowledges that as the owner of shares in the voting stock of the Sellers and Indiana Precision, he has had access to information relating to the businesses of the Kaydon Subsidiaries that has not been disclosed to third parties ("Confidential Information") that may include, without limitation, trade secrets and know-how, computer programs, the names and addresses of customers and suppliers and their particular business requirements and the names and addresses of employees, the disclosure of which Confidential Information to competitors of the Kaydon Subsidiaries, or to the general public would be highly detrimental to the best interests of the Kaydon and the Kaydon Subsidiaries. Grossman further acknowledges and agrees that the right to maintain confidential the Confidential Information constitutes a proprietary right that Kaydon and the Kaydon Subsidiaries are entitled to protect. Accordingly, Grossman covenants and agrees with the Kaydon and the Kaydon Subsidiaries that:

- (a) he will not disclose any Confidential Information to any person nor will he use the same for any purposes other than those advancing the interests of Kaydon and the Kaydon Subsidiaries at any time during the two-year period commencing on the date hereof;
- (b) he will not (without the prior written consent of Kaydon), at any time during the two-year period commencing on the date hereof, either individually or in partnership or jointly or in conjunction with any person as principal, agent, shareholder or in any other manner whatsoever, carry on or be engaged in or be concerned with or interested in or advise, lend money to, guarantee the debts or obligations of or permit his name or any part thereof to be used or employed by any person engaged in or concerned with or interested in any business anywhere in the United States of America which is involved in the manufacture of solder, heat transfer coil making equipment or machined molds for plastic closures (the "Competitive Businesses");

provided, however, that the foregoing covenant shall not act to prevent Grossman from becoming solely a stockholder in a corporation that is engaged in a Competitive Business if the stock of such other corporation is listed for trading on a national securities exchange or the Nasdaq Stock Market and if the amount of shares owned by Grossman does not exceed 5% of the total outstanding voting stock of such corporation; and

- (c) he will not (without the prior written consent of Kaydon) at any time during the two-year period commencing on the date hereof:
 - (i) contact, for the purpose of soliciting any Competitive Business any person or entity who is a customer of such Kaydon Subsidiary; or
 - (ii) initiate contact with any employee or executive of any Kaydon Subsidiary for the purpose of offering him or her employment with any person or entity.

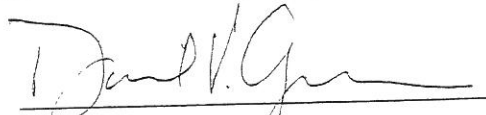
2. Compensation. As consideration for the foregoing agreement not to compete with the Kaydon Subsidiaries, Kaydon agrees to pay to Grossman the sum of Five Thousand Dollars (\$5,000) per annum, in a lump sum on the date hereof and on the first anniversary of the date of this Agreement.

3. Severability. If any covenant or provision herein is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision, and subsections 1(a), (b) and (c) and clauses 1(c)(i) and (ii) are each declared to be separate and distinct covenants. Grossman hereby agrees that all restrictions in Section 1 are reasonable and valid and all defenses to the strict enforcement thereof by the Purchaser are hereby waived by Grossman.

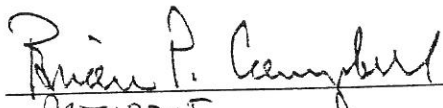
4. Enforceability. Grossman acknowledges that a violation of any of the provisions of Section 1 will result in immediate and irreparable damage to the Purchasers and to Kaydon, and agrees that, in the event of such violation, any Purchaser or Kaydon shall, in addition to any other rights to relief, be entitled to equitable relief by way of temporary or permanent injunction and to such other relief as any court of competent jurisdiction may deem just and proper. If Grossman is in breach of any of such restrictions, the running of the period of proscription shall be stayed and shall recommence upon the date Grossman ceases to be in breach thereof, whether voluntarily or by injunction.

5. Applicable Law. This Agreement shall be construed, interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the State of New Jersey and the federal laws of the United States applicable therein and each party hereby irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of such state and all courts competent to hear appeals therefrom.

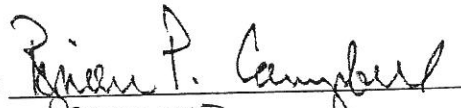
IN WITNESS WHEREOF this Agreement has been executed by the parties hereto.


Daniel V. Grossman

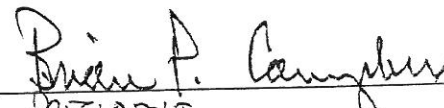
KAYDON CORPORATION

By: 
Its: PRESIDENT

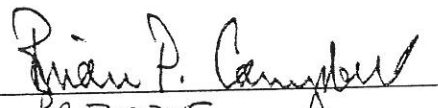
KAYDON ACQUISITION XI, INC.

By: 
Its: PRESIDENT

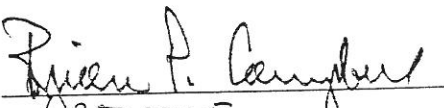
KAYDON ACQUISITION XII, INC.

By: 
Its: PRESIDENT

KAYDON ACQUISITION XIII, INC.

By: 
Its: PRESIDENT

INDIANA PRECISION, INC.

By: 
Its: PRESIDENT

STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION

Bulk Sale Section
PO Box 245
Tranton, New Jersey 08695-0245

NOTIFICATION OF SALE, TRANSFER, OR ASSIGNMENT IN BULK

ATTACH COPY OF PENDING CONTRACT OF SALE OR TRANSFER

This form is to be used to notify the Director of the Division of Taxation, of any bulk transfer in accordance with Section 22(c) of the New Jersey State Sales and Use Tax Act and Section 15 of the New Jersey Business Personal Property Tax Act. See Reverse Side.

By statute the following information is required to be submitted by registered mail ten (10) days before taking possession of, or paying for, the property.

Name of Purchaser(s) Kaydon Acquisition XI, Inc.

Trade Name of Purchaser(s) Same

Street 315 E. Eisenhower Pkwy, Ste 300 City Ann Arbor State MI Zip Code 48108

Federal Identification No. 38-3479214 Social Security No. N/A

Name and Address of Attorney Paul R. Rentenbach
or Escrow Agent for Purchaser 400 Renaissance Ctr, Detroit, MI

Telephone Number 313-568-6800 48243

Seller's N.J. Tax Identification No.

5847-1650-00

Seller's Liquor License No. (If Applicable)

N/A

Name of Seller(s) Canfield Technologies, Inc. &
(Cont'd)

Trade Name of Seller(s) Environmental Alloys, Inc.

Name of Officer, Partner, or Individual Owner Daniel V. Grossman

Home Address 112 Western Drive City Short Hills State NJ Zip Code 07078

Home Phone Number 973-467-8625 Business Phone Number 732-316-2100

Federal Identification No. 22-1600225 Social Security No. _____

Name and Address of Attorney J. Lamont Harris
or Agent for Seller 122 E. Main Street, Crawfordsville, IN Phone Number 765-362-4440
47933

Date Seller Acquired Business: Month 11 Year 1988

SCHEDULED DATE OF SALE

08/28/2000

Sales Price of Furniture, Fixtures & Equipment	\$ <u>To be determined</u>
Sales Price of Land and Building	\$ <u>under Treasury</u>
Sales Price of Other Assets (attach schedule)	\$ <u>Regulations</u>
Total Sales Price .. (Combined Canfield Tech... & ... Environmental Alloys)	\$ <u>17,942,393* 0</u>

TERMS AND CONDITIONS OF SALE Cash Sale

LOCATION OF BUSINESS OR PROPERTY 1 Crossman Road, Savreille, NJ 08872

TYPE OF BUSINESS Manufacturer and Sales of Solder Products

Secretary

Title - If other than purchaser, please identify

Date

COPY

* Subject to adjustment based on closing balance sheet.

CANFIELD TECHNOLOGIES, INC.

Certificate of Assistant Secretary

The undersigned Assistant Secretary of Canfield Technologies, Inc. ("Canfield"), hereby certifies on behalf of Canfield as follows:

1. Except for approval of a change in Canfield's name to "DGRM Corp." to be effective post-closing, there have been no amendments to the Articles of Incorporation of Canfield since January 1, 2000, and no action has been taken by Canfield looking toward the filing of any such amendment;
2. Attached hereto is a true and complete copy of the Bylaws of Canfield as in full force and effect at all times since August 1, 2000, through the date of this certificate;
3. Attached hereto are true and complete copies of resolutions adopted by the Board of Directors of Canfield at meetings duly called, convened and held; at each such meeting a quorum was present and acting throughout; and such resolutions have not been modified, amended or revoked and are in full force and effect on the date hereof. Such resolutions are the only resolutions adopted by Board of Directors of Canfield relating to the sale of substantially all of Canfield's assets to Kaydon Corporation ("Kaydon") pursuant to that certain Asset Purchase Agreement, dated as of August 11, 2000, by and among Canfield, Kaydon and Environmental Alloys, Inc.
4. The Asset Purchase Agreement and all related transactions contemplated thereby were approved by the unanimous written consent of the stockholders of Canfield owning all of the outstanding voting stock of Canfield.
5. At all times since January 11, 2000, the persons named below have been the duly appointed and acting officers of Canfield serving in the capacities set forth opposite their respective names:

Name

Daniel V. Grossman

Robert P. McIntire

Kenneth C. Walsh

Office

Chairman and Secretary

President and CEO

Vice President, Finance and CFO

IN WITNESS WHEREOF, I have set my hand on August __, 2000.



Martha F. Grossman, Assistant Secretary

ACTION OF ALL DIRECTORS BY UNANIMOUS WRITTEN CONSENT

We, Daniel V. Grossman, Martha Grossman and Robert P. McIntire, being all of the directors of Canfield Technologies, Inc., a New Jersey corporation (the "Corporation"), find it to be in the best interests of the Corporation and its shareholders that substantially all of the assets of the Corporation be sold, conveyed and transferred to Kaydon Corporation, or a subsidiary thereof as its assignee, for and upon the terms and provisions of, and for the consideration provided in, that certain Asset Purchase Agreement, dated as of August ____, 2000 (the "Asset Purchase Agreement"), which has been negotiated on behalf of the Corporation by Daniel V. Grossman, Chairman. Accordingly, acting pursuant to the By-Laws of the Corporation, and applicable provisions of the New Jersey Business Corporation Act (the "Act"), we hereby waive any requirement of a formal meeting of directors, and unanimously adopt the following resolutions:

RESOLVED, that the Corporation sell, convey, assign, set over, transfer and deliver to Kaydon Corporation, or a subsidiary thereof as its assignee, substantially all of the assets of the Corporation pursuant to the terms and provisions of, and for the consideration provided in, the Asset Purchase Agreement.

RESOLVED FURTHER, that pursuant to Section 4.13 of the Asset Purchase Agreement, requiring the Corporation to change its name so as to discontinue use of the words "Canfield Technologies," the Corporation shall change its name to "DGRM Corp.," immediately following, and contingent upon, the closing of such Asset Purchase Agreement.

RESOLVED FURTHER, that the directors do hereby recommend to the shareholders of the Corporation the sale of substantially all of its assets pursuant to such Asset Purchase Agreement, and such change of name pursuant thereto, and direct the submission of such issues to a vote of the shareholders, as provided by applicable provisions of the Act.

RESOLVED FURTHER, subject to approval of the Asset Purchase Agreement by the shareholders, that Daniel V. Grossman, as Chairman of the Corporation, be and he is hereby authorized, empowered and directed to execute and deliver the Asset Purchase Agreement on behalf of the Corporation.

RESOLVED FURTHER, that the Chairman, President, any Vice President, the Secretary and any Assistant Secretary of the Corporation be, and they hereby are, authorized, empowered and directed on behalf of the Corporation, at the closing of such sale of assets, to execute and deliver all such deeds, bills of sale, assignments and other instruments of transfer, to do all other things on behalf of the Corporation convenient or necessary to carry out such Asset Purchase Agreement, and to execute and deliver any and all documents on behalf of the Corporation to that end.

RESOLVED FURTHER, that this Action of All Directors by Unanimous Written Consent be recorded in the minute book of the Corporation in lieu of minutes of a formal meeting of directors.

Action of All Directors by Unanimous Written Consent
August, 2000
Page 2

IN WITNESS WHEREOF, we have executed this Action of All Directors by Unanimous Written Consent on the dates set forth opposite our signatures below.

Date: 8/10/00


Daniel V. Grossman

Date: 8/10/00


Martha Grossman

Date: 8/10/00


Robert P. McIntire

ACTION OF ALL SHAREHOLDERS BY UNANIMOUS WRITTEN CONSENT

We, Daniel V. Grossman and Robert P. McIntire, being all of the shareholders of Canfield Technologies, Inc., a New Jersey corporation (the "Corporation"), find it to be in the best interests of the Corporation, and our best interests as shareholders, that substantially all of the assets of the Corporation be sold, conveyed and transferred to Kaydon Corporation, or a subsidiary thereof as its assignee, for and upon the terms and provisions of, and for the consideration provided in, that certain Asset Purchase Agreement, dated as of August __, 2000 (the "Asset Purchase Agreement"), as negotiated on behalf of the Corporation by Daniel V. Grossman, Chairman, and approved and recommended to the shareholders by unanimous written consent of the Board of Directors of the Corporation. Accordingly, acting pursuant to the By-Laws of the Corporation, and applicable provisions of the New Jersey Business Corporation we hereby waive any requirement of a formal meeting of shareholders, and unanimously adopt the following resolutions:

RESOLVED, that shareholders hereby ratify, approve and confirm the sale by the Corporation of substantially all of its assets to Kaydon Corporation, or a subsidiary thereof as its assignee, pursuant to the terms and provisions of, and for the consideration provided in, the Asset Purchase Agreement which has been negotiated by Daniel V. Grossman, Chairman, and recommended by unanimous written consent of the Board of Directors of the Corporation.

RESOLVED FURTHER, that pursuant to Section 4.13 of the Asset Purchase Agreement, requiring the Corporation to change its name so as to discontinue use of the words "Canfield Technologies," the Corporation shall change its name to "DGRM Corp.," immediately following, and contingent upon, the closing of such Asset Purchase Agreement.

RESOLVED FURTHER, that this Action of All Shareholders by Unanimous Written Consent be recorded in the minute book of the Corporation in lieu of minutes of a formal meeting of shareholders.

IN WITNESS WHEREOF, we have executed this Action of All Shareholders by Unanimous Written Consent on the dates set forth opposite our signatures below.

Date: August 10, 2000


Daniel V. Grossman

Date: August 10, 2000


Robert P. McIntire

C-102A Rev 12/93

New Jersey Department of the Treasury
Division of Revenue
Certificate of Amendment to the
Certificate of Incorporation
(For Use by Domestic Profit Corporations)

Pursuant to the provisions of Section 14A:9-2 (4) and Section 14A:9-4 (3), Corporations, General, of the New Jersey Statutes, the undersigned corporation executes the following Certificate of Amendment to its Certificate of Incorporation:

1. The name of the corporation is:

Canfield Technologies, Inc.

2. The following amendment to the Certificate of Incorporation was approved by the directors and thereafter duly adopted by the shareholders of the corporation on the 10th day of August, 2000

Resolved, that Article 1 of the Certificate of Incorporation be amended to read as follows:

"1. The name of the corporation is DGRM Corp."

3. The number of shares outstanding at the time of the adoption of the amendment was: 394
The total number of shares entitled to vote thereon was: 394

If the shares of any class or series of shares are entitled to vote thereon as a class, set forth below the designation and number of outstanding shares entitled to vote thereon of each such class or series. (Omit if not applicable).

4. The number of shares voting for and against such amendment is as follows: (If the shares of any class or series are entitled to vote as a class, set forth the number of shares of each such class and series voting for and against the amendment, respectively).

Number of Shares Voting for Amendment
394

Number of Shares Voting Against Amendment
-0-

5. If the amendment provides for an exchange, reclassification or cancellation of issued shares, set forth a statement of the manner in which the same shall be effected. (Omit if not applicable).

6. Other provisions: (Omit if not applicable).

Canfield Technologies, Inc.

BY: Daniel V. Grossman
Daniel V. Grossman,
(Signature) Chairman of the Board

Dated this 28th day of August, 2000

May be executed by the Chairman of the Board, or the President, or a Vice President of the Corporation.

August 28, 2000

J. Lamont Harris
HENTHORN, HARRIS, TAYLOR & WELIEVER
122 East Main Street
P.O. Box 645
Crawfordsville, IN 47933

Re: Canfield Technologies, Inc.
and
Environmental Alloys, Inc.

Dear Mr. Harris:

This will certify that I am the Chairman of the Board of Directors of both Canfield Technologies, Inc. and Environmental Alloys, Inc. (the "Corporations"), and on their behalf, I authorize and direct you to give the opinion of Sellers' counsel required by Section 5.3 of the Asset Purchase Agreement (the "Agreement") dated as of August 11, 2000, between the Corporations, as Sellers, and Kaydon Corporation, as Purchaser. In particular, you are authorized to opine as to the matters set forth in Schedule 5.3 of the Agreement.

In support of your opinion, I hereby certify the following:

1. The undersigned and Robert P. McIntire are now, and were at all times on and after August 10, 2000, the owners of all issued and outstanding shares of capital stock of both Corporations.
2. My shares of such capital stock, and to the best of my knowledge and belief, the shares of capital stock of Robert P. McIntire, are not now and were not on or after August 10, 2000 the subject of any pledge or assignment to secure any debt or seized by any judicial or governmental authority, and the voting rights in and to such shares are not now, and were not on or after August 10, 2000 assigned or restricted in any way.
3. The undersigned and Robert P. McIntire are citizens and permanent residents of the United States.
4. The undersigned, Martha Grossman and Robert P. McIntire are now, and at all times on and after August 10, 2000 have been, all of the duly elected and acting members of the board of directors of each Seller.
5. All of the shareholders and directors of both Corporations are now, and at all times on and after August 10, 2000 have been (i) over the age of eighteen (18) years, (ii) to the best of my knowledge and belief, not acting under any legal disability or incapacity and (iii) to the best of my knowledge and belief, not

J. Lamont Harris
August 28, 2000
Page 2

subject to any pending or threatened federal or state bankruptcy, insolvency or receivership proceedings, nor has any of them made an assignment for the benefit of creditors.

6. Neither of the Corporations is subject to any pending or threatened federal or state bankruptcy, insolvency or receivership proceedings, and neither of them has made an assignment for benefit of creditors.
7. The assets of the Corporations are not subject to any liens, mortgages, security interests, administrative orders, court orders or encumbrances of any kind, other than as expressly set forth in the Agreement and the Schedules thereto.
8. There are no actions or proceedings pending, or to my knowledge threatened, before any court, governmental agency or arbitrator which seek to affect the enforceability, or the Corporations' performance, of the Agreement.

Sincerely,

A handwritten signature in cursive script, appearing to read "Daniel V. Grossman". The signature is written in dark ink and is positioned above the printed name.

Daniel V. Grossman

AUG 25 '22 11:03AM



PROGRESSIVE LAWYERS SERVICES, INC.
100 Fairchild, N.J. 07723 • (732) 462-4000, Fax# (732) 451-5

PROGRESSIVE LAWYERS SERVICES, INC.
P. O. Box 6339, Freehold, NJ 07723 • (732) 462-4000, Fax: (732) 431-5894

August 25, 2000

FIRST AMERICAN TITLE INSURANCE COMPANY
ATTN: CHERYL A. WARE
755 W. BIG BEAVER RD, SUITE 70
TROY, MI 48084

Re: Title No.: 00-26212
BOROUGH OF SAYREVILLE
County of MIDDLESEX
TBD FROM CANFIELD


Dear Sir/Madam:

We enclose herewith the following:

- ⑤ Preliminary reports in re the above matter.
- ⑥ Statement for services rendered.
- ⑦ Forms to be completed with closing papers.

2 Forms to be completed with closing & return
We should like to take this time to thank you, most sincerely, for letting us be of service to you.

Very truly yours,

Very truly yours,


EDA CRUZ
Title Officer

EC/take
Encl.

Please be advised that we require 24 hour notice for closing. Your courtesies would be appreciated.

Please submit closing statement with closing package. NOTE: This item is being requested to verify payment of taxes, condo fees, and other pertinent items to the title binder.

00:00:00
AUG 25 '02 11:23AM

00:00:00 00:00:00
P.2

FANJ 2
Rev. 5/92

First American Title Insurance Company



SCHEDULE A

Commitment No.: 00-28212-110

Effective Date: 8/1/2000

1. Policy or Policies to be issued:

Amount:

(a) ... ALTA Owner's Policy - 1992

\$TBA

Proposed Insured:

TO BE DETERMINED

(b) ... ALTA Loan Policy - 1992
Proposed Insured:

\$N/A

NOT APPLICABLE

(c) ...

\$

Proposed Insured:

2. The estate or interest in the land described or referred to in this Commitment and covered herein is a fee simple and title to the estate or interest in said land is at the effective date hereof vested in:
CANFIELD PROPERTIES, L.L.C., A NEW JERSEY LIMITED LIABILITY COMPANY
Fee Simple Title acquired by deed from ESSEX SPECIALTY PRODUCTS, INC., A NEW JERSEY CORPORATION, dated July 30, 1996 and recorded August 2, 1996 in Deed Book 4344 page 128.

3. The land referred to in this Commitment is described in Schedule C.



Progressive Lawyers Services, Inc.
P.O. Box 6399, Freehold, NJ 07728 • (732) 462-4000, Fax # (732) 431-5694

First American Title Insurance Company

FANJ-3
Rev. 8/92

SCHEDULE B - SECTION I

Commitment No.: 00-23212-110

The following requirements must be met:

- (a) Instrument(s) creating the estate or interest to be insured must be approved, executed, delivered recorded and properly indexed in the lands records.
 - (1) Deed from CANFIELD PROPERTIES, LLC, a New Jersey Limited Liability company vesting Fee Simple title in TO BE DETERMINED.
- (b) Payment of all taxes, water, sewer rents and assessments, if any. Tax and Assessment Searches are attached.
- (c) Subject to facts an accurate survey would disclose. Same to be supplied by applicant
- (d) New Jersey Superior and U.S. District Court judgment searches show clear to date.
- (e) Subject to facts as would be disclosed by sellers, purchasers, and/or borrowers affidavits of title, to be submitted.
- (f) A proper Notice of Settlement must be filed prior to closing and the documents creating the interest or interests to be insured must be recorded and indexed within the 45 day period following this filing.
- (g) Cancellation or other disposition of mortgage dated November 13, 1996 from CANFIELD PROPERTIES, L.L.C., a New Jersey Limited Liability Company, to PNC BANK, NATIONAL ASSOCIATION in the amount of \$1,000,000.00 recorded November 26, 1996 in Book 5194 Page 531. (see copy attached)
NOTE: Assignment of Rents and Leases recorded in Mortgage Book 5194 Page 564. (See copy attached)
- (h) Cancellation or other disposition of mortgage dated November 13, 1996 from CANFIELD PROPERTIES, L.L.C., a New Jersey Limited Liability Company, to PNC BANK, NATIONAL ASSOCIATION, in the amount of \$4,500,000.00 recorded November 26, 1996 in Book 5194 Page 576. (see copy attached)
NOTE: Assignment of Rents and Leases (Second Lien) recorded in Mortgage Book 5194 Page 603. (See copy attached)
- (i) Disposition of Financing Statement, No. 1949-3304, filed November 26, 1996. (See copy attached)
- (j) Proof is required that the certificate of formation of CANFIELD PROPERTIES, L.L.C., a New Jersey Limited Liability Company, together with all amendments thereto, if any (a copy of which, along with the operating agreement, must be furnished to this office prior to closing) has been filed in the Office of Secretary of State of New Jersey, pursuant to the New Jersey Limited Liability Company Act, N.J.S.A. 42:2B-1, et seq.; and that the same is still in full force and effect.

NOTE: Financing Statement Nos. 1949-3353, 1949-3354, 1959-3540. (See copies attached)

NOTE: This company requires that a title continuation must be ordered not less than 24 hours before closing.

First American Title Insurance Company

FANJ-3
Rev. 6/92

SCHEDULE B - SECTION II

Commitment No.: 00-28212-110

Schedule B of the policy or policies to be issued will contain exceptions to the following matters unless the same are disposed of to the satisfaction of the Company:

1. Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this commitment.
2. Rights or claims by parties in possession not shown by the public records.
3. Easements, or claims of easements, not shown by the public records.
4. Encroachments, overlaps, boundary line disputes and other matters which would be disclosed by an accurate survey and inspection of the premises.
5. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public record.
6. Any unpaid taxes, assessment, water and sewer charges, if any, for 2000.
7. Possible additional taxes and assessments assessed or levied under N.J.S.A. 54:4-63.1 et seq.
8. Subject to the rights of Utility Companies serving the insured premises. (fee policy only)
9. Subsurface conditions and/or encroachments not disclosed by an instrument of record. (fee policy only)
10. Easements as contained in Deed Book 384 Page 490, Deed Book 861 Page 4, Deed Book 1136 Page 129, Deed Book 1166 Page 493, Deed Book 2131 Page 42, Deed Book 2479 Page 916, Deed Book 2493 Page 1138, Deed Book 2502 Page 155, Deed Book 2617 Page 674, Deed Book 3252 Page 713, Deed Book 3254 Page 862 and Deed Book 4234 Page 60.
11. Subject to easements, covenants and rights of others in and to a certain railroad tract or spur as set forth in Deed Book 2473 Page 167.
12. Deed for road widening in Deed Book 4385 Page 278.
13. Covenants and easements contained in Deed Book 2472 Page 459.

First American Title Insurance Company

FANJ5

SCHEDULE C

Commitment No.: 00-28212-110

All that certain lot, tract or parcel of land situate, lying and being in the Borough of Sayreville, in the County of Middlesex and the State of New Jersey, and being all of Lot 2.01, Block 251 as shown on a map entitled: "Plan of Survey for M.C. Canfield Sons, Lot 2.01, Block 251, situate in Borough of Sayreville, Middlesex County, New Jersey" dated March 29, 1956, and prepared by Maser Sosinski Associates, P.A., the same being a part of Lot 2, Block 251 as shown on sheet number 87 of the Official Tax Map of the Borough of Sayreville, and being more particularly bounded and described as follows, to wit:

BEGINNING at the point of intersection of the existing easterly line of Crossman Road (South) (Private Road), said line being distant 30.00 feet measured easterly from and at right angles to the centerline thereof, with the existing southerly line of Main Street (A.K.A. Lower Main Street), (County Route No. 670), (Variable Width R.O.W.), said line being distant 24.75 feet measured southeasterly from and at right angles to the centerline thereof, and running thence -

1. N 80° 54' 30" E, 161.99 feet along the aforesaid existing southerly line of Main Street, to a point in the westerly line of Lot 3, Block 347.01, said lot as shown on sheet number 100 of the Official Tax Map of the Borough of Sayreville, thence -
2. S 11° 53' 40" W, 16.23 feet along the aforesaid westerly line of Lot 3, Block 347.01, to an angle point, said point being marked by a concrete monument found, thence -
3. S 10° 12' 00" W, 1,145.46 feet still along the aforesaid westerly line of Lot 3, Block 347.01, and beyond along the westerly line of Lot 1, Block 356.01, said lot as shown on sheet number 101 of the Official Tax Map of the Borough of Sayreville, to a point in the northerly line of Lot 12, Block 62.01, (Conrail, Raritan River Railroad, 100' R.O.W.), said lot as shown on the aforesaid sheet number 87 of the Official Tax Map of the Borough of Sayreville, thence -
4. Southwestwardly on an arc having a radius of 5,679.60 feet and curving to the right an arc distance of 315.99 feet (Central Angle 03° 11' 52"), (said arc being connected by a chord bearing of S 56° 42' 44" W and a chord distance of 316.95 feet), along the aforesaid northerly line of Lot 12, Block 62.01, to a point in the easterly line of Lot 2.02, Block 251, said lot as shown on the aforesaid Plan of Survey, thence -
4. N 10° 12' 00" E, 733.94 feet along the aforesaid easterly line of Lot 2.02, Block 251, to a point in the northerly line of the said Lot 2.02, Block 251, thence -
5. N 79° 48' 00" W, 300.00 feet along the aforesaid northerly line of Lot 2.02, Block 251, to a point in the aforesaid existing easterly line of Crossman Road (South), thence -
6. N 10° 12' 00" E, 460.20 feet along the aforesaid existing easterly line of Crossman Road (South), to the Point and Place of BEGINNING.

Subject to restrictions and easements of record, if any.

Also subject to a 15.75 foot road widening easement to Middlesex County as shown on the aforesaid Plan of Survey.

10:23:36
FUG 25 '02 11:24AM

Current Status, Inc.

Member NJ Land Title Association
Member American Land Title Association

WE 02:11 0002 02 007
P.S.
141 Market Street Suite 1
Kendallville, New Jersey 07033-1723
Phone: (908) 620-2888 (800) 477-2088
Fax: (908) 620-2898 (800) 677-3272

PROGRESSIVE LAWYERS SERVICES, INC.

TITLE #: 00-28212
BLOCK: 251
LOT: 2.01

----- ASSESSED VALUES -----
LAND VALUE: 552,100
IMPROVE VALUE: 597,900
TOTAL: 1,150,000
TAX RATE: 2000 - 2.64

ASSESSED OWNER: CANFIELD PROPERTIES, LLC
PROPERTY LOCATION: 1 CROSSMAN ROAD SOUTH
MUNICIPALITY: SAYREVILLE BORO, MIDDLESEX NJ

Tel#: (732) 390-7040

PLEASE CONTACT PROGRESSIVE LAWYERS SERVICES THREE(3) DAYS PRIOR TO CLOSING TO OBTAIN CURRENT FIGURES (732) 462-4600

CERTIFICATE
OF OCCUPANCY:

REQUIRED ON NEW CONSTRUCTION

SUPPLEMENTAL:

SMOKE DETECTOR INSPECTION REQUIRED PER N.J.A.C. 5:18
CONTACT CONSTRUCTION DEPARTMENT 732-390-7077
INDUSTRIAL

PROPERTY CODE:

TAX EXEMPTION:

NONE

1999 TAXES:

\$28,980.00 PAID IN FULL

--2000-- DUE DATE

1st QTR.: 02/01
2nd QTR.: 05/01
3rd QTR.: 08/01
4th QTR.: 11/01

\$7,245.00 PAID
\$7,245.00 PAID
\$7,935.00 PAID
\$7,935.00 OPEN

--2001--

1st QTR.: 02/01
2nd QTR.: 05/01

\$7,590.00 OPEN
\$7,590.00 OPEN

ADDED
ASSESSMENTS:

NONE. RECORDS OF EXISTING BUILDING PERMITS MAY NOT ALWAYS BE
AVAILABLE AT TIME OF SEARCH. PLEASE CONTACT PLANNING AND
ZONING DEPT. FOR DETAILS.

CONFIRMED
ASSESSMENTS:

NONE

FARMLAND ROLLBACK:
ABATEMENT:

NONE
NONE

WATER:

ACCT #: A2001009100 TO: 6/14/00 \$532.15 PAID*
ACCT #: A2001009201 TO: 6/14/00 \$43.15 PAID*

SEWER:

ACCT #: A2001009100 TO: 6/14/00 \$285.80 PAID*
ACCT #: A2001009201 TO: 6/14/00 \$85.52 PAID*

LIENS:

NONE

*SUBJECT TO FINAL READING PRIOR TO CLOSING. CURRENT STATUS
WILL NOT BE HELD LIABLE FOR CHARGES DISCLOSED BY A READING
OBTAINED AFTER THE CLOSING.

----- CERTIFICATE AS TO UNCONFIRMED ASSESSMENTS -----
ORDINANCE#: NONE
ADOPTED ON:

TYPE OF ORDINANCE:

CURRENT STATUS GUARANTEES THAT THE ABOVE INFORMATION ACCURATELY REFLECTS THE
CONTENTS OF THE PUBLIC RECORD AS OF 08/24/2000 \$30.00

6213174

AUG 25 '82 11:25AM

US 75:11 2222 52 905
P.7

CHARLES JONES, LLC
HEREBY CERTIFIES TO:

NEW JERSEY SUPERIOR COURT,
UNITED STATES DISTRICT COURT AND
UNITED STATES BANKRUPTCY COURT

RE: 00-28212

446-4000-20

Progressive Lawyers Services Inc
P O Box 6399
Freehold NJ 07728-

THAT IT HAS SEARCHED THE INDEX OF THE CIVIL JUDGMENT AND ORDER DOCKET OF THE SUPERIOR COURT OF NEW JERSEY, THE INDEX OF THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF NEW JERSEY, AND THE INDEX OF THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEW JERSEY AND DOES NOT FIND REMAINING UNSATISFIED OF RECORD IN ANY OF THESE COURTS A JUDGMENT OR OTHER DOCKETED RECORD REFERRED TO BY THE RESPECTIVE INDICES WHICH CONSTITUTES A GENERAL LIEN ON REAL PROPERTY IN NEW JERSEY, NOR ANY CERCLA LIEN ON SPECIFIC REAL PROPERTY WITHIN NEW JERSEY, NOR ANY PETITION COMMENCING PROCEEDINGS IN BANKRUPTCY EXCEPT AS BELOW SET FORTH AGAINST:

FROM TO

08-22-1980 08-22-2000

CANFIELD PROPERTIES, L.L.C.

CLEAR

DATED 08-22-2000
TIME 08:45 AM

FEES: \$ 7.00

RT00-237-2980

237 0867237 1

CHARLES JONES, LLC
P.O. BOX 8488
TRENTON, NJ 08650

Sent By: Henthorn Harris Taylor & Wellever; 765 362 4521;
Jun-22-00 09:44A

Aug-10-00 7:03AM;
NO.341

Page 2
P.3/5 P.02



State of New Jersey

Department of Environmental Protection

Christine Todd Whitman
Governor

Bureau of Field Operations
P.O. Box 435
401 East State Street
Trenton, N.J. 08625-0435

Robert C. Shinn, Jr.
Commissioner

Mr. Robert P. McIntire
Canfield Technologies, Inc.
1 Crossman Road South
Sayreville, NJ 08872

JUN 19 2000

Re: Entire Site, Unrestricted Use, No Further Action Letter and Covenant Not to Sue
Industrial Establishment: Canfield Technologies, Inc.
Address: 1 Crossman Road South
Sayreville Twp., Middlesex County
Block 251 Lot 2.01
ISRA Case #E2000241
ISRA Transaction: Sale of Business
Expedited Review Affidavit dated: 5/25/2000

Dear Mr. McIntire:

Pursuant to N.J.S.A. 58:10B-13.1 and N.J.A.C. 7:26C, the New Jersey Department of Environmental Protection (Department) makes a determination that no further action is necessary for the remediation of the industrial establishment as specifically referenced above, except as noted below, so long as Canfield Technologies, Inc. did not withhold any information from the Department. This action is based upon information in the Department's case file and Canfield Technologies, Inc.'s final certified affidavit-dated 5/25/2000. In issuing this No Further Action Determination and Covenant Not to Sue, the Department has relied upon the certified representations and information provided to the Department.

By issuance of this No Further Action Determination, the Department acknowledges the certification by Canfield Technologies, Inc. that a Preliminary Assessment and as applicable a Site Investigation has been completed pursuant to the Technical Requirements for Site Remediation (N.J.A.C. 7:26E) for the industrial establishment.

NO FURTHER ACTION CONDITIONS

As a condition of this No Further Action Determination Canfield Technologies, Inc. as well as each subsequent owner, lessee and operator (collectively Successors) shall comply with each of the following:

This approval is based on the implementation and completion of the Remedial Action Workplan and any addenda in accordance with the terms of the September 21, 1990 Department approval. Bis(2-ethylhexyl) phthalate exist on site above the current residential and impact to ground water remediation criteria. However, these contaminant concentrations are within an order of magnitude of the current criteria in accordance with N.J.S.A. 58:10B.

Name and Address Changes

Pursuant to N.J.S.A. 58:10B-12, Canfield Technologies, Inc. and the Successors shall inform the Department in writing whenever its name or address changes, within 14 calendar days after the change.

New Jersey is an Equal Opportunity Employer
Recycled Paper

AUG 10 2000 7:51 AM

765 362 4521

PAGE. 02

Sent By: Henthorn Harris Taylor & Welliver; 765 362 4521;
JUL 20 2000 2:24 PM UHM GROSSMAN
Jun-27-00 08:31A

Aug-10-00 7:04AM;
NO. 341

Page 3/4
P. 4/6 P. 03

COVENANT NOT TO SUE

The Department issues this Covenant Not to Sue pursuant to N.J.S.A. 58:10B-13.1. That statute requires a covenant not to sue with each no further action letter. However, in accordance with N.J.S.A. 58:10B-13.1, nothing in this Covenant shall benefit any person who is liable, pursuant to the Spill Compensation and Control Act (Spill Act), N.J.S.A. 58:10-23.11, for cleanup and removal costs and the Department makes no representation by the issuance of this Covenant, either express or implied, as to the Spill Act liability of any person.

The Department covenants, except as provided in the preceding paragraph, that it will not bring any civil action against the following:

- (a) the person who undertook the remediation;
- (b) subsequent owners of the subject property;
- (c) subsequent lessees of the subject property; and
- (d) subsequent operators at the subject property.

for the purposes of requiring remediation to address contamination which existed prior to the date of the final certified affidavit for the real property at the Industrial establishment identified above, or payment of cleanup and removal costs for such additional remediation.

The Department may revoke this Covenant at any time after providing notice upon its determination that either:

- (a) any person with the legal obligation to comply with any condition in this No Further Action Letter has failed to do so; or
- (b) any person with the legal obligation to maintain or monitor any engineering or institutional control has failed to do so.

This Covenant Not to Sue, which the Department has executed in duplicate, shall take effect immediately once the person who undertook the remediation has signed and dated the Covenant Not to Sue in the lines supplied below and the Department has received one copy of this document with original signatures of the Department and the person who undertook the remediation.

Name/Printed: Robert McLaure
CANFIELD TECHNOLOGIES

Signature: [Signature]

Title: President

Dated: 6/02/00

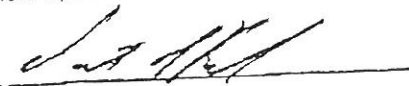
Sent By: Henthorn Harris Taylor & Weliever; 765 362 4521;
Jun-22-00 09:44A

Aug-10-00 7:04AM;
NO.341

Page 4/4
P.5/6 P.04

NEW JERSEY DEPARTMENT OF
ENVIRONMENTAL PROTECTION


Name: Vincent S. Krisak, Section Chief
Bureau of Field Operations

Signature: 

Dated: 

Thank you for your attention to these matters. If you have any questions, please contact Charles Salter
case manager at (609)633-0708.

Sincerely,



Vincent S. Krisak, Section Chief
Bureau of Field Operations

c: County Health Department
Charles Salter, Case Manager
Michael Matkuz, The Whitman Co.

AUG 10 2000 7:51 AM

765 362 4521

PAGE. 04

EMPLOYMENT AGREEMENT

This Agreement (the "Agreement") is made as of August 24, 2000, between KAYDON ACQUISITION XI, INC., a Delaware corporation d/b/a "Canfield Technologies, Inc." (the "Company"), and ROBERT P. McINTIRE (the "Employee").

Pursuant to an Asset Purchase Agreement, dated as of August 11, 2000 (the "Purchase Agreement") among Canfield Technologies, Inc., a New Jersey corporation, Environmental Alloys, Inc., a Florida corporation (collectively, the "Sellers"), and Kaydon Corporation, a Delaware corporation that is the parent corporation of the Company, Kaydon agreed to purchase from Sellers certain of the assets and to assume certain of the liabilities of Sellers used in the Purchased Business (as defined in the Purchase Agreement), all on the terms and conditions therein set out. The obligations of Kaydon under the Purchase Agreement are expressly subject to the entering into of this Agreement by Employee, among other conditions. Employee is the owner of a substantial part of the outstanding voting stock of one of the Sellers and has actively and significantly participated in the management and development of the Purchased Business. The Company considers the continued employment of the Employee to be essential to protecting and enhancing the best interest of the Company and its shareholder. Therefore, the Company and the Employee desire to enter into this Agreement.

To induce the Employee to remain in the employ of the Company, and for other good and valuable consideration, the Company and the Employee agree as follows:

1. Definitions.

(a) "Board" shall mean the Company's Board of Directors.

(b) "Business Activities" shall mean the design, development, manufacture, distribution, sale and marketing of products or services sold, distributed or provided by the Company, Indiana Precision, Inc., or Tridan International, Inc., prior to the Termination Date.

(c) "Cause," when used in connection with the termination of the Employee's employment by the Company, shall mean (i) willful and continued failure (after written notice from the Company to the Employee) by the Employee to substantially perform the Employee's primary duties and obligations (of a nature consistent with this Agreement including, without limitation, Section 3 hereof) to the Company (other than any failure resulting from the Employee's Disability or actions taken by the Company which prevent the Employee's performance), (ii) the engaging by the Employee in willful misconduct which is materially injurious to the Company, monetarily or otherwise, (iii) the commission of any act constituting a felony under the laws of any state within the United States or of the United States or (iv) willful and continued failure (after written notice from the Company to the Employee) by the Employee to follow directions given by the Chief Executive Officer of the Company or such other officer as has been designated by the Board as the person to whom the Employee directly reports.

(d) "Company" shall mean Kaydon Acquisition XI, Inc. and any corporation or entity that is a successor (whether by purchase of all or substantially all of the business and/or assets, merger, consolidation or liquidation), subsidiary or affiliate of the Company.

(e) "Disability" shall mean a physical or mental incapacity of the Employee which entitles the Employee to benefits under the long term disability plan applicable to the Employee and maintained by the Company as in effect at the time of such disability.. However, if the Company has no such plan at that time, "Disability" shall mean any physical or mental condition that renders the Employee unable to substantially perform the Employee's duties with the Company for a period of one hundred and eighty (180) days during any period of twelve (12) consecutive months.

(f) "Employment Term" shall mean that period commencing with the date of this Agreement and continuing to August __, 2003.

(g) "Termination Date" shall mean the effective date as provided under this Agreement of the termination of the Employee's employment with the Company, regardless of whether such termination of employment occurs during or after the Employment Term.

(h) "Without Cause" when used in connection with the termination of the Employee's employment by the Company, shall mean any termination of employment of the Employee by the Company which is not a termination of employment for Cause or Disability.

2. Employment, Acceptance and Term. The Company hereby employs the Employee in a senior management position with the Company, and the Employee hereby accepts such employment with the Company, on the terms set forth in this Agreement for the Employment Term unless sooner terminated pursuant to the provisions of Sections 6 or 7 of this Agreement or upon the Employee's death.

3. Duties and Authority. During the Employment Term, the Employee shall devote his full business time and energies to the business and affairs of the Company and shall not, without the Company's written consent, accept other employment, serve as a business consultant for another person or company, or permit such personal business interests as he may have to interfere with the performance of his duties under this Agreement. The Employee agrees to consult periodically with the Chief Executive Officer of the Company or such other officer of the Company as the Board shall designate and review in detail the nature and extent of his personal business activities in order to assure the Board that no such interference is occurring or is likely to occur. The Employee agrees to use his best efforts, skill and abilities to promote the interests of the Company, to work with other employees of the Company in a competent and professional manner and generally to promote the interests of the Company and to perform such other duties of a management or professional nature as may be assigned to him by the Chairman or the Board of the Company.

4. Compensation. For all services to be performed by the Employee during the Employment Term the Company shall pay the Employee an annual base salary of not less than One

Hundred Fifty Thousand Dollars (\$150,000) per year, payable in accordance with the prevailing payroll practices of the Company and less all applicable taxes required to be withheld by federal, state or local laws. The Employee shall be eligible for annual merit increases in base salary, consistent with the annual merit increases granted to other comparably compensated employees of the Company. Additionally, throughout the Employment Term the Employee shall be eligible for an annual cash bonus of not less than \$30,000 determined in the discretion of the Board.

5. Participation in Employee Benefit Plans. In addition to the cash compensation payable hereunder, (a) the Company will recommend to the Compensation Committee of the Board of Directors of Kaydon Corporation that the Employee be granted non-qualified options to purchase 10,000 shares of common stock of Kaydon Corporation at an exercise price determined at the time of grant in accordance with the terms of the Kaydon Corporation 1999 Long-Term Incentive Plan and having a vesting schedule that provides for 10% of the options granted to become exercisable on each anniversary of the grant date, (b) he shall be entitled to participate during the Employment Term in such employee benefit plans, whether contributory or non-contributory, such as group insurance plans, hospital, surgical, vision and dental benefit plans or other bonus incentive, profit sharing, retirement or employee benefit plans of the Company existing on the date hereof or as may be subsequently amended or adopted by the Company for management employees in significant or responsible management positions covered thereby to the extent that the Employee meets the general eligibility requirements of any such plans, (c) the Employee shall be entitled during each year of the Employment Term to paid vacation time and paid sick leave consistent with the past practices policies of the Sellers for comparable senior executives and (d) during the Employment Term, the Company shall reimburse the Employee for non-accountable vehicle expenses (lease payments, maintenance, operating expenses and insurance) equal to \$10,000 per year (paid at the rate of \$833.33 per month).

6. Termination of Employment by the Company.

(a) During the Employment Term. The Company shall have the right to terminate the Employee's employment hereunder at any time for Disability, for Cause, or Without Cause in each circumstance; however the Company will be required to comply with the procedures hereinafter specified:

(i) Termination of the Employee's employment for Disability shall become effective no sooner than thirty (30) days after a notice of intent to terminate the Employee's employment, specifying Disability as the basis for such termination, is given to the Employee by the Board, by a committee of the Board or by the officer to whom the Employee normally reports and any applicable requirements of the Company's long term disability plan or, if the Company has no such plan, its administrative practices then applicable to disability, have been met.

(ii) Termination of the Employee's employment for Cause shall be effective immediately upon written notification from the Board, a committee of the Board, or the

officer to whom the Employee normally reports, to the Employee stating in such notice that the Employee is terminated for Cause and providing reasonable detail of the facts and circumstances claimed by the Company to constitute Cause. In the event the Employee believes that there was not Cause for such termination, the Employee may notify the Company in writing of such belief within fifteen (15) days after the Company's delivery of written notice of termination for Cause to the Employee. In the event the Employee gives notice to the Company within such fifteen (15) day period, the Employee shall (unless such an opportunity has been previously offered to the Employee) within fifteen (15) days of the giving of such notice be afforded an opportunity, together with the Employee's counsel, to be heard before the superior to the officer to whom the Employee normally reports. If, pursuant to such hearing, such superior officer determines that there was no Cause for such termination, then such termination shall be deemed to be Without Cause. Any determination by such superior officer shall be in addition to and shall not limit the right of the Employee to arbitrate whether such termination was for Cause under Section 13 hereof. Upon a termination for Cause or for Disability, the Employee shall have no right to receive any compensation or benefits based on the provisions of this Agreement.

(iii) The Company shall have the absolute right to terminate the Employee's employment Without Cause by notice from the President of the Company or the Board; however, during the Employment Term, termination of the Employee's employment Without Cause shall be effective on the date specified in the notice but no sooner than five (5) business days after the date of the Company's giving to the Employee a notice of termination, specifying that such termination is Without Cause.

(b) After the Employment Term. The provisions of this Section 6(a) and Section 7 of this Agreement shall apply with respect to any termination of employment of the Employee which occurs during the period commencing on the date of this Agreement and ending on the last day of the Employment Term. Such provisions shall not apply to any termination of employment of the Employee which occurs following the end of the Employment Term, after which date the Employee shall have no further rights under this Agreement except to the extent such rights have heretofore accrued to the Employee, including without limitation those which have accrued under Section 8(a). Continuation of employment with a successor to the Company, as described in Section 11, shall not alone constitute termination of the Employee's employment.

7. Termination of Employment by the Employee. The Employee shall be entitled at any time to terminate employment with the Company for any reason. The Employee shall give the Company notice of voluntary termination of employment, which notice need specify only the Employee's desire to terminate employment. Any notice by the Employee pursuant to this Section shall be effective five (5) business days after the date it is given by the Employee. If the Employee terminates his employment with the Company, the Employee shall not be entitled to receive benefits under this Agreement, except as provided in Section 8(a).

8. Benefits upon Termination.

(a) Upon the termination of the Employee's employment pursuant to Section 6(a)(i), Section 6(a)(ii) or Section 7, the Company shall pay to the Employee, not later than thirty (30) days after the Termination Date, a lump sum cash amount equal to the sum of (i) the full base salary earned by the Employee through the Termination Date and unpaid at the Termination Date, (ii) the amount of any base salary attributable to vacation earned by the Employee but not taken before the Termination Date, (iii) all other amounts earned by the Employee and unpaid at the Termination Date (including any amount of a bonus remaining unpaid from a prior performance year), and (iv) all amounts owing by the Company on account of expenditures by the Employee on behalf of the Company, including without limitation all amounts due as reimbursement of travel and entertainment expenses.

(b) Upon the termination of the Employee's employment by the Company Without Cause pursuant to Section 6(a)(iii) hereof, if the Employee executes a Separation Agreement and Complete Release of Liability in the form attached as Exhibit A hereto (the "Release") in favor of the Company, eight (8) days thereafter, provided the Employee did not revoke the Release pursuant to Paragraph 8 thereof, the Company shall pay to the Employee an additional amount (the "Termination Payment") equal to the Employee's base annual salary at the highest rate in effect during the year of the Termination Date remaining to be paid through the end of the Employment Term. The Termination Payment shall be paid at the option of the Employer either in equal monthly installments or in a lump sum payable within thirty (30) days of the Termination Date.

(c) Any payments to be made under this Section 8 shall be reduced by the amount of any loans or other monetary advances made by the Company to the Employee which remain outstanding on the Termination Date other than any advances for relocation expenses which are to be paid back to the Company according to the terms of the current arrangement. The Employee shall not be required to mitigate the amount of any payment or benefit provided for in Section 8 by seeking other employment. The amount of any payment or benefit provided for in Section 8 shall not be reduced by any compensation earned by the Employee as the result of other employment or consulting services performed.

(d) If the Employee's employment is terminated by the Company Without Cause after the end of the Employment Term but prior to August 31, 2005, the Company agrees to enter into a consulting agreement with the Employee which provides for payment of an annual consulting fee of \$75,000 for a term that ends on (i) the second anniversary of the date of such termination or (ii) August 31, 2005, whichever first occurs. The consulting fee shall be pro-rated for any partial year.

9. No Parachute Payments. In the event that any payments, distributions or benefits to or for the benefit of the Employee from the Company, whether paid or payable, distributed or distributable, as provided for in Section 8 hereof, or otherwise under any other plan or arrangement of the Company would constitute a "parachute payment" as defined in Section 280G of the Internal Revenue Code of 1986, as amended, or any successors thereto (the "Code"), the payments under this

Agreement shall be reduced to the largest amount that will eliminate both the imposition of the excise tax imposed by Section 4999 of the Code and the disallowance as deductions to the Company under Section 280G of the Code of any such payments. The determination of any reduction in the payments under this Agreement pursuant to this paragraph shall be made by a major accounting firm selected by the Company (which shall not be the Company's independent auditors) and approved by the Employee, which approval shall not be unreasonably withheld.

10. Non-Competition. In consideration of the payments to be received by the Employee hereunder, in recognition of the highly competitive nature of the industries in which the Company conducts its business, and to further protect the goodwill of the Company and to promote and preserve its legitimate business interests, the Employee agrees that during the period commencing the date hereof and ending on the last day of the second anniversary of the Termination Date, he will not:

(a) Engage in any Business Activities (other than on behalf of the Company) whether such engagement is as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant advisor, agent or otherwise, in any geographic area in which the products or services of the Company have been distributed or provided during the period commencing on the date hereof and ending on the Termination Date;

(b) Other than on behalf of the Company, supply products or provide services (but only to the extent such restricted activities constitute Business Activities) to any customer with whom the Company has done any business during the period commencing on the date hereof and ending on the Termination Date, whether as an officer, director, proprietor, employee, partner, investor (other than as a holder of less than 1% of the outstanding capital stock of a publicly traded corporation), consultant, advisor, agent or otherwise;

(c) Assist others in engaging in any of the Business Activities in the manner prohibited to the Employee; or

(d) Induce or attempt to induce employees of the Company or its affiliates to engage in any activities hereby prohibited to the Employee or to terminate their employment.

It is expressly understood and agreed that although the Employee and the Company consider the restrictions contained in each of clauses (a) through (d) above to be reasonable for the purpose of preserving the Company's goodwill, proprietary rights, trade secrets, valuable confidential business interests, relationships with specific prospective and existing customers and going concern value, and to protect the Company's business opportunities, markets and trade areas, if a final judicial determination is made by a court having jurisdiction that the time or territory or scope of restricted activities or any other restriction contained in this Agreement is an unenforceable restriction on the activities of the Employee, the provisions of this Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time, restricted activities and territory and to such

other extent as such court may judicially determine or indicate to be reasonable. Alternatively, if the court referred to above finds that any restriction contained in this Section 10 is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained therein.

11. Successors: Binding Agreement. The Company shall require any successor (whether by purchase of all or substantially all of the business and/or assets, merger, consolidation or liquidation) of the Company to expressly assume, by written agreement, the obligation of the Company to perform this Agreement upon or prior to such succession taking place. A copy of such written agreement shall be delivered to the Employee promptly after its execution by the successor or such person or group. This Agreement is personal to the Employee and the Employee may not assign or transfer any part of the Employee's rights or duties hereunder, or any compensation due to the Employee hereunder, to any other person, except that this Agreement shall inure to the benefit of and be enforceable by the Employee's personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or beneficiaries.

12. Modification: Waiver. No provisions of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in a writing signed by the Employee and by the Company. Waiver by any party of any breach of or failure to comply with any provision of this Agreement by the other party shall not be construed as, or constitute, a continuing waiver of such provision, or a waiver of any other breach of, or failure to comply with, any other provision of this Agreement.

13. Arbitration of Disputes.

(a) Except with respect to the enforcement of the Company's rights under Section 10 hereof or the enforcement of the Company's rights under the Release, any disagreement, dispute, controversy or claim arising out of or relating to this Agreement, the interpretation or validity hereof, or the terms and conditions of Employee's employment including the termination thereof, shall be settled exclusively and finally by arbitration. Except as provided in the preceding sentence, it is specifically understood and agreed that any disagreement, dispute or controversy which cannot be resolved between the parties, including without limitation any matter relating to the interpretation of this Agreement shall be resolved solely by arbitration irrespective of the magnitude thereof, the amount in controversy, or the nature of the relief sought.

(b) The arbitration shall be conducted in accordance with Employment Arbitration Rules (the "Arbitration Rules") of the American Arbitration Association (the "AAA"), the terms of which are incorporated herein. The arbitral tribunal shall consist of one arbitrator skilled in arbitration of senior executive employment matters. The parties to the arbitration shall jointly directly appoint such arbitrator within thirty (30) days of initiation of the arbitration. If the parties shall fail to appoint such arbitrator as provided above, such arbitrator shall be appointed by the AAA as provided in the Arbitration Rules and shall be a person who has had substantial experience in senior executive employment matters. The Company shall pay all of the fees, if any, and expenses of such arbitrator

and the arbitration. The arbitration shall be conducted in the Southeastern Michigan area or in such other city in the United States of America as the parties to the dispute may designate by mutual written consent.

(c) At any oral hearing of evidence in connection with the arbitration, each party thereto or its legal counsel shall have the right to examine its witnesses and to cross-examine the witnesses of any opposing party. No evidence of any witness shall be presented in form unless the opposing party or parties shall have the opportunity to cross-examine such witness, except as the parties to the dispute otherwise agree in writing or except under extraordinary circumstances where the interests of justice require a different procedure.

(d) Any decision or award of the arbitral tribunal shall be final and binding upon the parties to the arbitration proceeding. The parties hereto agree that the arbitral award may be forced against the parties to the arbitration proceeding or their assets wherever they may be found and that a judgment upon the arbitral award may be entered in any court having jurisdiction. Nothing herein contained shall be deemed to give the arbitral tribunal any authority, power, or right to alter, change, amend, modify, add to, or subtract from any of the provisions of this Agreement.

14. Notices. All notices, requests, demands and other communications required or permitted to be given by either party to the other party by this Agreement (including, without limitation, any notice of termination of employment and any notice under the Arbitration Rules of an intention to arbitrate) shall be in writing and shall be deemed to have been duly given when actually received, or four (4) business days after being mailed by certified or registered mail, return receipt requested, postage prepaid, or one (1) business day after being sent by a nationally recognized overnight courier service, with charges prepaid by sender and receipted for by or on behalf of the intended recipient, in each case to the address of the other party as set forth on the signature page of this Agreement. Either party hereto may change its address for purposes of this Section 14 by giving ten (10) days' written prior notice to the other party hereto.

15. Severability. If any term or provision of this Agreement or the application hereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

16. Headings. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of this Agreement.

17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original.

18. Governing Law. This Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State of Michigan, without regard to the conflicts of laws principles of such state.

19. Payroll and Withholding Taxes. All payments to be made or benefits to be provided hereunder by the Company shall be subject to reduction for any then applicable payroll-related or withholding taxes, which the Company shall timely pay or deposit as required by the Internal Revenue Code of 1986, as amended and any successors thereto.

20. Entire Agreement. This Agreement supersedes any and all other oral or written employment agreements heretofore made and constitutes the entire agreement of the parties relating to the subject matter hereof. Notwithstanding the forgoing, this Agreement is not intended to and does not alter or amend any agreements between the Employee and the Company relating to matters such as non-competition and non-disclosure of Company matters, and is not intended to and does not limit the Employee's obligations under any Company employee benefit or welfare plan or limit, restrict, or reduce any employee benefit to which the Employee is entitled under any other agreement, plan, or arrangement, including without limitation as applicable, those providing for stock options, restricted stock, disability insurance or life insurance.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

Address:
315 East Eisenhower Parkway
Suite 300
Ann Arbor, MI 48103

KAYDON ACQUISITION XI, INC.

By: Brian P. Campbell
Its: PRESIDENT

EMPLOYEE

Address: _____

Aug-28-00 07:52A

18. Governing Law. This Agreement shall in all respects be governed by, and construed and enforced in accordance with, the laws of the State of Michigan, without regard to the conflicts of laws principles of such state.

19. Payroll and Withholding Taxes. All payments to be made or benefits to be provided hereunder by the Company shall be subject to reduction for any then applicable payroll-related or withholding taxes, which the Company shall timely pay or deposit as required by the Internal Revenue Code of 1986, as amended and any successors thereto.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

KAYDON ACQUISITION XI, INC.

Address:
315 East Eisenhower Parkway
Suite 300
Ann Arbor, MI 48103

By: _____
Its: _____

Raf P. McPart
EMPLOYEE

Address: CANFIELD TECHNOLOGIES
1 CROSSMAN RD. SAYREURGE
415 08172

EXHIBIT A

SEPARATION AGREEMENT AND
COMPLETE RELEASE OF LIABILITY

This Separation Agreement and Complete Release of Liability (this "Agreement") is made this _____ day of _____, _____ by and between (the "Employee") and KAYDON ACQUISITION XI, INC., a Delaware corporation d/b/a "Canfield Technologies, Inc." (the "Company").

The Company and Employee agree to the following terms:

1. Date of Separation. Employee's active full-time employment with the Company will irrevocably and forever cease on _____. Employee will not seek employment with the Company thereafter.
2. Complete Release. In exchange for the compensation to be paid to Employee pursuant to Section 8 of that certain Employment Agreement dated _____, 2000 between the Employee and the Company (the "Employment Agreement"), which Employee acknowledges he would not otherwise be entitled to receive without signing this Agreement, Employee forever discharges and releases the Company, its affiliates, subsidiaries, and their respective officers and directors, agents or representatives (the "Company Parties") from and forever promises not to sue the Company Parties for any and all claims, demands, damages, rights and causes of action, including, without limitation, claims for compensatory and punitive damages and for injunctive and other equitable or declaratory relief, Employee now has or may have against the Company Parties up to the date of signing this Agreement, whether known or unknown, including, but not limited to, claims, demands, rights and causes of action arising out of Employee's employment and termination thereof, claims of employment discrimination or bias, wrongful discharge, severance pay, unused vacation and breach of contract and any violation of Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Employee Retirement Income Security Act of 1974 (ERISA), the Americans with Disabilities Act of 1990 (ADA), the Age Discrimination and Employment Act of 1967 (ADEA), the Older Workers Benefit Protection Act, the Fair Labor Standards Act, the Occupational and Safety & Health Act, the Equal Pay Act and any and all other federal, state and local laws and regulations and ordinances and or public policy and any and all claims, demands, rights and causes of action the Employee now has or may have against the Company Parties under common law or in equity including, without limitation, contract or tort actions.

Employee acknowledges and fully understands and agrees that the Company Parties may plead this release as a complete defense to any claim or entitlement that may be asserted by Employee or other persons or agencies on the Employee's behalf in any suit, grievance or claim against the Company Parties for or on account of any matter whatsoever. This does not preclude, however, the right of Employee to enforce the terms of this Agreement.

This release does not include a release of any pension benefits for which Employee may be eligible under the terms of applicable Company benefits plans.

3. Confidentiality and Non-Disparagement. Employee promises not to disclose the contents of any Proprietary Information of the Company or any of its affiliates or subsidiaries. Proprietary Information shall mean information or material of the Company or any of its affiliates or subsidiaries (1) which is not generally available to or used by others or (2) the utility or value of which is not generally known or recognized as standard practice, whether or not the underlying details are in the public domain and includes, without limitation:

- (a) Information or materials which relate to the Company's or any of its affiliates' or subsidiaries' trade secrets, manufacturing methods, machines, articles of manufacture, compositions, inventions, engineering services, technological developments, know-how, purchasing, accounting, merchandising or licensing;
- (b) Software in various stages of development (source code, object code, documentation, diagrams, flow charts), designs, drawings, specifications, models, data and customer information; and
- (c) Any information of the type described above which the Company or any of its affiliates or subsidiaries obtained from another party and which the Company or any of its affiliates or subsidiaries treats as proprietary or designates as confidential, whether or not owned or developed by the Company or any of its affiliates or subsidiaries.

Employee agrees not to disparage the Company, its subsidiaries or affiliates or their respective officers, directors or employees.

4. Non-Admission of Liability. This Agreement is made solely to facilitate an arrangement reached by the Company with Employee. This Agreement should not be construed as an admission by the Company of any wrongdoing.

5. Consequences of Employee Violation of Promises. If Employee (i) breaks the promises in Paragraph 2 of this Agreement and files a lawsuit or makes a claim or charge based on legal claims that Employee has released, (ii) breaks the promise made in Paragraph 3 of this Agreement and discloses Proprietary Information to any non-authorized third party, and such disclosure results in damage or injury to the Company or any of its affiliates or subsidiaries, (iii) does not use his reasonable efforts to avoid disparaging the Company, its subsidiaries and affiliates and their respective officers, directors and employees, or (iv) without Company's prior written consent, induces any Employee of the Company to leave the Company's employment, Employee will reimburse the Company for all such damage or injury occasioned by such action, including attorney fees.

6. Period For Review and Consideration of Agreement - Employee acknowledges that Employee has been given a period of 21 days to review and consider this Agreement before signing it. Employee further acknowledges that Employee may use as much of this 21 day period as Employee wishes prior to signing and that Employee will have waived the full 21 day period by signing this Agreement before the 21 day period expires.
7. Encouragement to Consult with Attorney. Employee is strongly encouraged to consult with an attorney before signing this Agreement. Employee understands that whether or not to do so is Employee's decision.
8. Employee's Right to Revoke Agreement. Employee may revoke this Agreement within seven (7) days of Employee's signing it. Revocation can be made only by delivering a written notice of revocation to _____. For this revocation to be effective, written notice must be received by _____ no later than the close of business on the seventh day after Employee signs this Agreement. If Employee properly revokes this Agreement, it shall not be effective or enforceable, and Employee will not receive the benefits described in Employee's Employment Agreement.
9. Assistance in the Defense of Claims and Consultative Advice. Employee agrees, upon reasonable notice from the Company, to assist the Company in the defense of any legal or administrative proceeding now pending or which later may be filed by or against the Company or by or against any affiliated or related companies or any of their officers, directors or employees. Company will reimburse and/or advance monies to Employee for lost wages and out-of-pocket expenses incurred in connection with such assistance. Employee agrees, in addition, to the extent requested from time to time by the Company and provided such requests do not require more than a reasonable amount of Employee's time, to provide telephonic consultative advice with respect to questions the Company may have regarding matters for which the Employee previously had responsibility or otherwise possesses knowledge.
10. Company Property. Employee shall return to the Company upon signing this Agreement any and all Company property which has been entrusted to the Employee during the Employee's tenure with the Company.
11. Applicable Law: Severability. The parties agree that this Agreement shall be governed by the laws of the State of Michigan. If any provision of this Agreement is declared invalid, the remaining provisions shall remain in effect.
12. Entire Agreement. The Company has used its best efforts to compose this Agreement in a manner calculated to be readily understood by the Employee. This Agreement is the complete, entire and final agreement between Employee and the Company concerning the subject matter expressed herein. This Agreement may not be modified or terminated except in writing signed by both parties. The Company has made no promises to Employee other than those in this Agreement and the Employment Agreement.

13. Successor/Assigns. This Agreement is personal to the Employee and may not be assigned or transferred by the Employee. This Agreement shall inure to the benefit of the Employee's personal or legal representatives, executors, administrators, heirs, distributees, devisees, legatees or beneficiaries, and to the Company, its successors and assigns.

EMPLOYEE ACKNOWLEDGES THAT HE HAS READ THIS AGREEMENT, UNDERSTANDS IT AND IS VOLUNTARILY ENTERING INTO IT. EMPLOYEE FURTHER ACKNOWLEDGES THIS AGREEMENT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

EMPLOYEE:

KAYDON ACQUISITION XI, INC.

By: _____

Its: _____

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State of Delaware
Office of the Secretary of State

PAGE 1

I, EDWARD J. FREEL, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY "KAYDON ACQUISITION XI, INC." IS DULY INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE AND IS IN GOOD STANDING AND HAS A LEGAL CORPORATE EXISTENCE SO FAR AS THE RECORDS OF THIS OFFICE SHOW, AS OF THE FIFTEENTH DAY OF AUGUST, A.D. 2000.

AND I DO HEREBY FURTHER CERTIFY THAT THE SAID "KAYDON ACQUISITION XI, INC." WAS INCORPORATED ON THE TWENTY-EIGHTH DAY OF MAY, A.D. 1999.


AND I DO HEREBY FURTHER CERTIFY THAT THE ANNUAL REPORTS HAVE BEEN FILED TO DATE.

AND I DO HEREBY FURTHER CERTIFY THAT THE FRANCHISE TAXES HAVE BEEN PAID TO DATE.



3049664 8300

001412514


Edward J. Freel, Secretary of State

0620104

AUTHENTICATION:

08-15-00

DATE:

KAYDON ACQUISITION XI, INC.

WRITTEN CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A MEETING THEREOF

The undersigned, being all of the Directors of Kaydon Acquisition XI, Inc., a Delaware corporation (the "Corporation"), waive all notice of the time, place or purpose of meeting and take the following actions pursuant to Section 141(f) of the Delaware General Corporation Law:

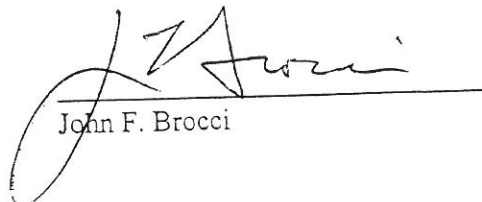
1. Officers. The following person is hereby appointed to hold the office set forth opposite his name until his successor is elected and shall qualify:

<u>Name</u>	<u>Office</u>
Kenneth W. Crawford	Vice President

2. Authorization. Any officer of the Corporation is authorized to execute agreements, certificates and to take such other actions, including the execution, delivery and filing of documents with public authorities (if necessary) as may be necessary or appropriate to complete the transactions contemplated by that certain Asset Purchase Agreement, dated as of August 11, 2000, by and among Kaydon Corporation, a Delaware corporation, Canfield Technologies, Inc., a New Jersey corporation, and Environmental Alloys, Inc., a Florida corporation.

Dated: August 23, 2000


Brian P. Campbell


John F. Brocci

KAYDON ACQUISITION XI, INC.

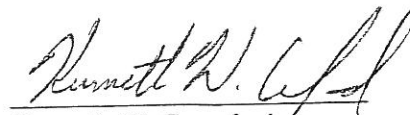
Certificate of Secretary

I, John F. Brocci, hereby certify that I am the duly appointed, qualified and acting Secretary of Kaydon Acquisition XI, Inc. (the "Corporation") and that, as such, I have access to its corporate records and am familiar with the matters certified herein, I am authorized to execute and deliver this certificate in the name and on behalf of the Corporation and that:

1. Brian P. Campbell is a duly appointed, qualified and acting officer of the Corporation holding the office of President; and Kenneth W. Crawford is a duly appointed, qualified and acting officer of the Corporation holding the office of Vice President.

2. The signatures of Mr. Campbell and of Mr. Crawford appearing below are their genuine signatures.

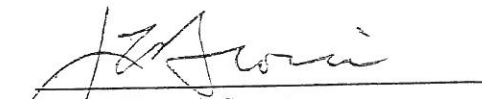

Brian P. Campbell


Kenneth W. Crawford

3. Any officer of the Corporation is authorized to execute agreements, certificates and to take such other actions, including the execution, delivery and filing of documents with public authorities (if necessary) as may be necessary or appropriate to complete the transactions contemplated by that certain Asset Purchase Agreement, dated as of August 11, 2000, by and among Kaydon Corporation, a Delaware corporation, Canfield Technologies, Inc., a New Jersey corporation, and Environmental Alloys, Inc., a Florida corporation.

IN WITNESS WHEREOF, I have executed this certificate in the name and on behalf of the Corporation on August 28, 2000.

KAYDON ACQUISITION XI, INC.


John F. Brocci, Secretary